

SENATE BILL NO. 263

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ESLINGER.

0584S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 303.039, RSMo, and section 303.041 as enacted by senate bill no. 267, ninety-first general assembly, first regular session, and section 303.041 as enacted by house bill no. 2168, one hundred first general assembly, second regular session, and to enact in lieu thereof seven new sections relating to motor vehicle financial responsibility.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 303.039, RSMo, and section 303.041 as
2 enacted by senate bill no. 267, ninety-first general assembly,
3 first regular session, and section 303.041 as enacted by house
4 bill no. 2168, one hundred first general assembly, second
5 regular session, are repealed and seven new sections enacted in
6 lieu thereof, to be known as sections 303.039, 303.041, 303.420,
7 303.422, 303.425, 303.430, and 303.440, to read as follows:

303.039. The repeal and reenactment of [sections]
2 **section** 303.025 [and 303.041] shall take effect on January
3 1, 2024.

[303.041. 1. If the director determines
2 that as a result of a verification sample or
3 accident report that the owner of a motor
4 vehicle has not maintained financial
5 responsibility, or if the director determines as
6 a result of an order of supervision that the
7 operator of a motor vehicle has not maintained
8 the financial responsibility as required in this
9 chapter, the director shall thirty-three days
10 after mailing notice, suspend the driving
11 privilege of the owner or operator and/or the
12 registration of the vehicle failing to meet such
13 requirement. The notice of suspension shall be
14 mailed to the person at the last known address
15 shown on the department's records. The notice

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 of suspension is deemed received three days
17 after mailing. The notice of suspension shall
18 clearly specify the reason and statutory grounds
19 for the suspension and the effective date of the
20 suspension, the right of the person to request a
21 hearing, the procedure for requesting a hearing,
22 and the date by which that request for a hearing
23 must be made. If the request for a hearing is
24 received by the department prior to the
25 effective date of the suspension, the effective
26 date of the suspension will be stayed until a
27 final order is issued following the hearing.

28 2. Neither the fact that subsequent to the
29 date of verification or conviction, the owner
30 acquired the required liability insurance policy
31 nor the fact that the owner terminated ownership
32 of the motor vehicle, shall have any bearing
33 upon the director's decision to suspend. Until
34 it is terminated, the suspension shall remain in
35 force after the registration is renewed or a new
36 registration is acquired for the motor vehicle.
37 The suspension also shall apply to any motor
38 vehicle to which the owner transfers the
39 registration. Effective January 1, 2000, the
40 department shall not extend any suspension for
41 failure to pay a delinquent late surrender fee
42 pursuant to this subsection.]

303.041. 1. **Except as otherwise provided in**
2 **subsection 7 of section 303.425,** if the director determines
3 that the owner or operator of a motor vehicle has not
4 maintained the financial responsibility as required in this
5 chapter, the director shall thirty-three days after mailing
6 notice, suspend the driving privilege of the owner or
7 operator and/or the registration of the vehicle failing to
8 meet such requirement. The notice of suspension shall be
9 mailed to the person at the last known address shown on the
10 department's records. The notice of suspension is deemed
11 received three days after mailing. The notice of suspension
12 shall clearly specify the reason and statutory grounds for
13 the suspension and the effective date of the suspension, the
14 right of the person to request a hearing, the procedure for
15 requesting a hearing, and the date by which that request for
16 a hearing must be made. If the request for a hearing is

17 received by the department prior to the effective date of
18 the suspension, the effective date of the suspension will be
19 stayed until a final order is issued following the hearing.

20 2. Except as otherwise provided by law, neither the
21 fact that subsequent to the date of verification or
22 conviction, the owner acquired the required liability
23 insurance policy nor the fact that the owner terminated
24 ownership of the motor vehicle, shall have any bearing upon
25 the director's decision to suspend. Until it is terminated,
26 the suspension shall remain in force after the registration
27 is renewed or a new registration is acquired for the motor
28 vehicle. The suspension also shall apply to any motor
29 vehicle to which the owner transfers the registration.
30 Effective January 1, 2000, the department shall not extend
31 any suspension for failure to pay a delinquent late
32 surrender fee pursuant to this subsection.

**303.420. As used in sections 303.420 to 303.440,
2 unless the context requires otherwise, the following terms
3 shall mean:**

4 (1) "Program", the motor vehicle financial
5 responsibility enforcement and compliance incentive program
6 established under section 303.425;

7 (2) "Qualified agency", the department of revenue, the
8 Missouri state highway patrol, the prosecuting attorney or
9 sheriff's office of any county or city not within a county,
10 the chiefs of police of any city or municipality, or any
11 other authorized law enforcement agency recognized by the
12 state;

13 (3) "System" or "verification system", the web-based
14 resource established under section 303.430 for online
15 verification of motor vehicle financial responsibility.

303.422. 1. There is hereby created in the state
2 treasury the "Motor Vehicle Financial Responsibility
3 Verification and Enforcement Fund", which shall consist of
4 money received by the department of revenue under sections
5 303.420 to 303.440. The state treasurer shall be custodian
6 of the fund. In accordance with sections 30.170 and 30.180,
7 the state treasurer may approve disbursements. The fund
8 shall be a dedicated fund and money in the fund shall be
9 used solely by the department of revenue for the
10 administration of sections 303.420 to 303.440.

11 2. Notwithstanding the provisions of section 33.080 to
12 the contrary, any moneys remaining in the fund at the end of
13 the biennium shall not revert to the credit of the general
14 revenue fund.

15 3. The state treasurer shall invest moneys in the fund
16 in the same manner as other funds are invested. Any
17 interest and moneys earned on such investments shall be
18 credited to the fund.

303.425. 1. (1) There is hereby created within the
2 department of revenue the motor vehicle financial
3 responsibility enforcement and compliance incentive
4 program. The department of revenue may enter into
5 contractual agreements with third-party vendors to
6 facilitate the necessary technology and equipment,
7 maintenance thereof, and associated program management
8 services, and may enter into contractual agreements with the
9 Missouri office of prosecution services as provided in
10 sections 303.420 to 303.440. Where sections 303.420 to
11 303.440 authorize the department of revenue to enter into
12 contracts with a third-party vendor or the Missouri office
13 of prosecution services at its option, the department of
14 revenue shall contract with the Missouri office of

15 prosecution services unless the Missouri office of
16 prosecution services declines to enter into the contract.

17 (2) The department of revenue or a third-party vendor
18 shall utilize technology to compare vehicle registration
19 information with the financial responsibility information
20 accessible through the system. The department of revenue
21 shall utilize this information to identify motorists who are
22 in violation of the motor vehicle financial responsibility
23 law. The department of revenue may offer offenders under
24 this program the option of pretrial diversion as an
25 alternative to statutory fines or reinstatement fees
26 prescribed under the motor vehicle financial responsibility
27 law as a method of encouraging compliance and discouraging
28 recidivism.

29 (3) All fees paid to or collected by third-party
30 vendors or the Missouri office of prosecution services under
31 sections 303.420 to 303.440 may come from violator diversion
32 fees generated by the pretrial diversion option established
33 under this section. A contractual agreement between the
34 department of revenue and the Missouri office of prosecution
35 services under sections 303.420 to 303.440 may provide for
36 retention by the Missouri office of prosecution services of
37 part or all of the violator diversion fees as consideration
38 for the contract.

39 2. The department of revenue may authorize law
40 enforcement agencies or third-party vendors to use
41 technology to collect data for the investigation, detection,
42 analysis, and enforcement of the motor vehicle financial
43 responsibility law.

44 3. The department of revenue may authorize traffic
45 enforcement officers, third-party vendors, or the Missouri
46 office of prosecution services to administer the processing

47 and issuance of notices of violation, the collection of fees
48 for a violation of the motor vehicle financial
49 responsibility law, or the referral of cases for
50 prosecution, under the program.

51 4. Access to the system shall be restricted to
52 qualified agencies and the third-party vendors with which
53 the department of revenue contracts for purposes of the
54 program, provided that any third-party vendor with which a
55 contract is executed to provide necessary technology,
56 equipment, or maintenance for the program shall be
57 authorized as necessary to collaborate for required updates
58 and maintenance of system software.

59 5. For purposes of the program, any data collected and
60 matched to a corresponding vehicle insurance record as
61 verified through the system, and any Missouri vehicle
62 registration database, may be used to identify violations of
63 the motor vehicle financial responsibility law. Such images
64 and corresponding data shall constitute evidence of the
65 violations.

66 6. Except as otherwise provided in this section, the
67 department of revenue shall suspend, in accordance with
68 section 303.041, the registration of any motor vehicle that
69 is determined under the program to be in violation of the
70 motor vehicle financial responsibility law.

71 7. The department of revenue shall send to an owner
72 whose vehicle is identified under the program as being in
73 violation of the motor vehicle financial responsibility law
74 a notice that the vehicle's registration may be suspended
75 unless the owner, within thirty days, provides proof of
76 financial responsibility for the vehicle or proof, in a form
77 specified by the department of revenue, that the owner has a
78 pending criminal charge for a violation of the motor vehicle

79 financial responsibility law. The notice shall include
80 information on steps an individual may take to obtain proof
81 of financial responsibility and a web address to a page on
82 the department of revenue's website where information on
83 obtaining proof of financial responsibility shall be
84 provided. If proof of financial responsibility or a pending
85 criminal charge is not provided within the time allotted,
86 the department of revenue shall provide a notice of
87 suspension and suspend the vehicle's registration in
88 accordance with section 303.041, or shall send a notice of
89 vehicle registration suspension, clearly specifying the
90 reason and statutory grounds for the suspension and the
91 effective date of the suspension, the right of the vehicle
92 owner to request a hearing, the procedure for requesting a
93 hearing, and the date by which that request for a hearing
94 must be made, as well as informing the owner that the matter
95 will be referred for prosecution if a satisfactory response
96 is not received in the time allotted, informing the owner
97 that the minimum penalty for the violation is three hundred
98 dollars and four license points, and offering the owner
99 participation in a pretrial diversion option to preclude
100 referral for prosecution and registration suspension under
101 sections 303.420 to 303.440. The notice of vehicle
102 registration suspension shall give a period of thirty-three
103 days from mailing for the vehicle owner to respond, and
104 shall be deemed received three days after mailing. If no
105 request for a hearing or agreement to participate in the
106 diversion option is received by the department of revenue
107 prior to the date provided on the notice of vehicle
108 registration suspension, the director shall suspend the
109 vehicle's registration, effective immediately, and refer the
110 case to the appropriate prosecuting attorney. If an

111 agreement by the vehicle owner to participate in the
112 diversion option is received by the department of revenue
113 prior to the effective date provided on the notice of
114 vehicle registration suspension, then upon payment of a
115 diversion participation fee not to exceed two hundred
116 dollars, agreement to secure proof of financial
117 responsibility within the time provided on the notice of
118 suspension, and agreement that such financial responsibility
119 shall be maintained for a minimum of two years, no points
120 shall be assessed to the vehicle owner's driver's license
121 under section 302.302 and the department of revenue shall
122 not take further action against the vehicle owner under
123 sections 303.420 to 303.440, subject to compliance with the
124 terms of the pretrial diversion option. The department of
125 revenue shall suspend the vehicle registration of, and shall
126 refer the case to the appropriate prosecuting attorney for
127 prosecution of, participating vehicle owners who violate the
128 terms of the pretrial diversion option. If a request for
129 hearing is received by the department of revenue prior to
130 the effective date provided on the notice of vehicle
131 registration suspension, then for all purposes other than
132 eligibility for participation in the diversion option, the
133 effective date of the suspension shall be stayed until a
134 final order is issued following the hearing. The department
135 of revenue shall suspend the registration of vehicles
136 determined under the final order to have violated the motor
137 vehicle financial responsibility law, and shall refer the
138 case to the appropriate prosecuting attorney for
139 prosecution. Notices under this subsection shall be mailed
140 to the vehicle owner at the last known address shown on the
141 department of revenue's records. The department of revenue
142 or its third-party vendor or the Missouri office of

143 prosecution services shall issue receipts for the collection
144 of diversion participation fees. Except as otherwise
145 provided in subsection 1 of this section, all such fees
146 shall be deposited into the motor vehicle financial
147 responsibility verification and enforcement fund established
148 in section 303.422. A vehicle owner whose registration has
149 been suspended under sections 303.420 to 303.440 may obtain
150 reinstatement of the registration upon providing proof of
151 financial responsibility and payment to the department of
152 revenue of a nonrefundable reinstatement fee equal to the
153 fee that would be applicable under subsection 2 of section
154 303.042 if the registration had been suspended under section
155 303.041.

156 8. Data collected or retained under the program shall
157 not be used by any entity for purposes other than
158 enforcement of the motor vehicle financial responsibility
159 law. Data collected and stored by law enforcement under the
160 program shall be considered evidence if noncompliance with
161 the motor vehicle financial responsibility law is
162 confirmed. The evidence, and an affidavit stating that the
163 evidence and system have identified a particular vehicle as
164 being in violation of the motor vehicle financial
165 responsibility law, shall constitute probable cause for
166 prosecution and shall be forwarded in accordance with
167 subsection 7 of this section to the appropriate prosecuting
168 attorney.

169 9. Owners of vehicles identified under the program as
170 being in violation of the motor vehicle financial
171 responsibility law shall be provided with options for
172 disputing such claims which do not require appearance at any
173 state or local court of law, or administrative facility.
174 Any person who presents timely proof that he or she was in

175 compliance with the motor vehicle financial responsibility
176 law at the time of the alleged violation shall be entitled
177 to dismissal of the charge with no assessment of fees or
178 fines. Proof provided by a vehicle owner to the department
179 of revenue that the vehicle was in compliance at the time of
180 the suspected violation of the motor vehicle financial
181 responsibility law shall be recorded in the system
182 established by the department of revenue under section
183 303.430.

184 10. The collection of data or use of any technology
185 pursuant to this section shall be done in a manner that
186 prohibits any bias towards a specific community, race,
187 gender, or socioeconomic status of vehicle owner.

188 11. Law enforcement agencies, third-party vendors, or
189 other entities authorized to operate under the program shall
190 not sell data collected or retained under the program for
191 any purpose or share it for any purpose not expressly
192 authorized in this section. All data shall be secured and
193 any third-party vendor or other entity authorized to operate
194 under the program may be liable for any data security breach.

195 12. The department of revenue shall not take action
196 under sections 303.420 to 303.440 against vehicles
197 registered as fleet vehicles under section 301.032, or
198 against vehicles known to the department of revenue to be
199 insured under a policy of commercial auto coverage, as such
200 term is defined in subdivision (10) of subsection 2 of
201 section 303.430.

202 13. Following one year after the implementation of the
203 program, and every year thereafter, the department of
204 revenue shall provide a report to the president pro tempore
205 of the senate, the speaker of the house of representatives,
206 the chairs of the house and senate committees with

207 jurisdictions over insurance or transportation matters, and
208 the chairs of the house budget and senate appropriations
209 committees. The report shall include an evaluation of
210 program operations, information as to the costs of the
211 program incurred by the department of revenue, insurers, and
212 the public, information as to the effectiveness of the
213 program in reducing the number of uninsured motor vehicles,
214 and anonymized demographic information including the race
215 and zip code of vehicle owners identified under the program
216 as being in violation of the motor vehicle financial
217 responsibility law, and may include any additional
218 information and recommendations for improvement of the
219 program deemed appropriate by the department of revenue.
220 The department of revenue may, by rule, require the state,
221 counties, and municipalities to provide information in order
222 to complete the report.

223 14. The Missouri office of prosecution services in
224 consultation with the department of revenue may promulgate
225 rules as necessary for the implementation of this section.
226 Any rule or portion of a rule, as that term is defined in
227 section 536.010, that is created under the authority
228 delegated in this section shall become effective only if it
229 complies with and is subject to all of the provisions of
230 chapter 536 and, if applicable, section 536.028. This
231 section and chapter 536 are nonseverable and if any of the
232 powers vested with the general assembly pursuant to chapter
233 536 to review, to delay the effective date, or to disapprove
234 and annul a rule are subsequently held unconstitutional,
235 then the grant of rulemaking authority and any rule proposed
236 or adopted after August 28, 2023, shall be invalid and void.

303.430. 1. The department of revenue shall establish
2 and maintain a web-based system for the verification of

3 motor vehicle financial responsibility, shall provide access
4 to insurance reporting data and vehicle registration and
5 financial responsibility data, and shall require motor
6 vehicle insurers to establish functionality for the
7 verification system, as provided in sections 303.420 to
8 303.440. The verification system, including any exceptions
9 as provided for in sections 303.420 to 303.440 or in the
10 implementation guide developed to support the program, shall
11 supersede any existing verification system, and shall be the
12 sole system used for the purpose of verifying financial
13 responsibility required under this chapter.

14 2. The system established pursuant to subsection 1 of
15 this section shall be subject to the following:

16 (1) The verification system shall transmit requests to
17 insurers for verification of motor vehicle insurance
18 coverage via web services established by the insurers
19 through the internet in compliance with the specifications
20 and standards of the Insurance Industry Committee on Motor
21 Vehicle Administration, or "IICMVA". Insurance company
22 systems shall respond to each request with a prescribed
23 response upon evaluation of the data provided in the
24 request. The system shall include appropriate protections
25 to secure its data against unauthorized access, and the
26 department of revenue shall maintain a historical record of
27 the system data for a period of no more than twelve months
28 from the date of all requests and responses. The system
29 shall be used for verification of the financial
30 responsibility required under this chapter. The system
31 shall be accessible to authorized personnel of the
32 department of revenue, the courts, law enforcement
33 personnel, and other entities authorized by the state as
34 permitted by state or federal privacy laws, and it shall be

35 interfaced, wherever appropriate, with existing state
36 systems. The system shall include information enabling the
37 department of revenue to submit inquiries to insurers
38 regarding motor vehicle insurance which are consistent with
39 insurance industry and IICMVA recommendations,
40 specifications, and standards by using the following data
41 elements for greater matching accuracy: insurer National
42 Association of Insurance Commissioners, or "NAIC", company
43 code; vehicle identification number; policy number;
44 verification date; or as otherwise described in the
45 specifications and standards of the IICMVA. The department
46 of revenue shall promulgate rules to offer insurers who
47 insure one thousand or fewer vehicles within this state an
48 alternative method for verifying motor vehicle insurance
49 coverage in lieu of web services, and to provide for the
50 verification of financial responsibility when financial
51 responsibility is proven to the department to be maintained
52 by means other than a policy of motor vehicle insurance.
53 Insurers shall not be required to verify insurance coverage
54 for vehicles registered in other jurisdictions;

55 (2) The verification system shall respond to each
56 request within a time period established by the department
57 of revenue. An insurer's system shall respond within the
58 time period prescribed by the IICMVA's specifications and
59 standards. Insurer systems shall be permitted reasonable
60 system downtime for maintenance and other work with advance
61 notice to the department of revenue. Insurers shall not be
62 subject to enforcement fees or other sanctions under such
63 circumstances, or when systems are not available because of
64 emergency, outside attack, or other unexpected outages not
65 planned by the insurer and reasonably outside its control;

66 (3) The system shall assist in identifying violations
67 of the motor vehicle financial responsibility law in the
68 most effective way possible. Responses to individual
69 insurance verification requests shall have no bearing on
70 whether insurance coverage is determined to be in force at
71 the time of a claim. Claims shall be individually
72 investigated to determine the existence of coverage.
73 Nothing in sections 303.420 to 303.440 shall prohibit the
74 department of revenue from contracting with a third-party
75 vendor or vendors who have successfully implemented similar
76 systems in other states to assist in establishing and
77 maintaining this verification system;

78 (4) The department of revenue shall consult with
79 representatives of the insurance industry and may consult
80 with third-party vendors to determine the objectives,
81 details, and deadlines related to the system by
82 establishment of an advisory council. The advisory council
83 shall consist of voting members comprised of:

84 (a) The director of the department of commerce and
85 insurance, or his or her designee, who shall serve as chair;

86 (b) Two representatives of the department of revenue,
87 to be appointed by the director of the department of revenue;

88 (c) One representative of the department of commerce
89 and insurance, to be appointed by the director of the
90 department of commerce and insurance;

91 (d) Three representatives of insurance companies, to
92 be appointed by the director of the department of commerce
93 and insurance;

94 (e) One representative from the Missouri Insurance
95 Coalition;

96 (f) One representative chosen by the National
97 Association of Mutual Insurance Companies;

98 (g) One representative chosen by the American Property
99 and Casualty Insurance Association;

100 (h) One representative chosen by the Missouri
101 Independent Agents Association; and

102 (i) Such other representatives as may be appointed by
103 the director of the department of commerce and insurance;

104 (5) The department of revenue shall publish for
105 comment, and then issue, a detailed implementation guide for
106 its online verification system;

107 (6) The department of revenue and its third-party
108 vendors, if any, shall each maintain a contact person for
109 insurers during the establishment, implementation, and
110 operation of the system;

111 (7) If the department of revenue has reason to believe
112 a vehicle owner does not maintain financial responsibility
113 as required under this chapter, it may also request an
114 insurer to verify the existence of such financial
115 responsibility in a form approved by the department of
116 revenue. In addition, insurers shall cooperate with the
117 department of revenue in establishing and maintaining the
118 verification system established under this section, and
119 shall provide motor vehicle insurance policy status
120 information as provided in the rules promulgated by the
121 department of revenue;

122 (8) Every property and casualty insurance company
123 licensed to issue motor vehicle insurance or authorized to
124 do business in this state shall comply with sections 303.420
125 to 303.440, and corresponding rules promulgated by the
126 department of revenue, for the verification of such
127 insurance for every vehicle insured by that company in this
128 state;

129 (9) Insurers shall maintain a historical record of
130 insurance data for a minimum period of six months from the
131 date of policy inception or policy change for the purpose of
132 historical verification inquiries;

133 (10) For the purposes of this section, "commercial
134 auto coverage" shall mean any coverage provided to an
135 insured, regardless of number of vehicles or entities
136 covered, under a commercial coverage form and rated from a
137 commercial manual approved by the department of commerce and
138 insurance. Sections 303.420 to 303.440 shall not apply to
139 vehicles insured under commercial auto coverage; however,
140 insurers of such vehicles may participate on a voluntary
141 basis, and vehicle owners may provide proof at or subsequent
142 to the time of vehicle registration that a vehicle is
143 insured under commercial auto coverage, which the department
144 of revenue shall record in the system;

145 (11) Insurers shall provide commercial or fleet
146 automobile customers with evidence reflecting that the
147 vehicle is insured under a commercial or fleet automobile
148 liability policy. Sufficient evidence shall include an
149 insurance identification card clearly marked with a suitable
150 identifier such as "commercial auto insurance identification
151 card", "fleet auto insurance identification card", or other
152 clear identification that the vehicle is insured under a
153 fleet or commercial policy;

154 (12) Notwithstanding any provision of sections 303.420
155 to 303.440, insurers shall be immune from civil and
156 administrative liability for good faith efforts to comply
157 with the terms of sections 303.420 to 303.440;

158 (13) Nothing in this section shall prohibit an insurer
159 from using the services of a third-party vendor for

160 facilitating the verification system required under sections
161 303.420 to 303.440.

162 3. The department of revenue shall promulgate rules as
163 necessary for the implementation of sections 303.420 to
164 303.440. Any rule or portion of a rule, as that term is
165 defined in section 536.010, that is created under the
166 authority delegated in this section shall become effective
167 only if it complies with and is subject to all of the
168 provisions of chapter 536 and, if applicable, section
169 536.028. This section and chapter 536 are nonseverable and
170 if any of the powers vested with the general assembly
171 pursuant to chapter 536 to review, to delay the effective
172 date, or to disapprove and annul a rule are subsequently
173 held unconstitutional, then the grant of rulemaking
174 authority and any rule proposed or adopted after August 28,
175 2023, shall be invalid and void.

303.440. The verification system established under
2 section 303.430 shall be installed and fully operational on
3 January 1, 2025, following an appropriate testing or pilot
4 period of not less than nine months. Until the successful
5 completion of the testing or pilot period in the judgment of
6 the director of the department of revenue, no enforcement
7 action shall be taken based on the system, including but not
8 limited to action taken under the program established under
9 section 303.425.

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