

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2453
102ND GENERAL ASSEMBLY

5152H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 303.425, 303.430, and 303.440, RSMo, and to enact in lieu thereof three new sections relating to motor vehicle financial responsibility.

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

Section A. Sections 303.425, 303.430, and 303.440, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 303.425, 303.430, and 303.440,
3 to read as follows:

303.425. 1. (1) There is hereby created within the department of revenue the motor
2 vehicle financial responsibility enforcement and compliance incentive program. The
3 department of revenue may enter into contractual agreements with third-party vendors to
4 facilitate the necessary technology and equipment, maintenance thereof, and associated
5 program management services.

6 (2) The department of revenue or a third-party vendor shall utilize technology to
7 compare vehicle registration information with the financial responsibility information
8 accessible through the system. The department of revenue shall utilize this information to
9 identify motorists who are in violation of the motor vehicle financial responsibility law. The
10 department of revenue may offer offenders under this program the option of pretrial diversion
11 as an alternative to statutory fines or reinstatement fees prescribed under the motor vehicle
12 financial responsibility law as a method of encouraging compliance and discouraging
13 recidivism.

14 (3) The department of revenue or third-party vendors shall not use any data collected
15 from or technology associated with any automated motor vehicle financial responsibility
16 enforcement system. For purposes of this subdivision, "motor vehicle financial responsibility

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 enforcement system" means a device consisting of a camera or cameras and vehicle sensor or
18 sensors installed to record motor vehicle financial responsibility violations.

19 (4) All fees paid to or collected by third-party vendors under sections 303.420 to
20 303.440 may come from violator diversion fees generated by the pretrial diversion option
21 established under this section.

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

25 3. The department of revenue may authorize traffic enforcement officers or third-
26 party vendors to administer the processing and issuance of notices of violation, the collection
27 of fees for a violation of the motor vehicle financial responsibility law, or the referral of cases
28 for prosecution, under the program.

29 4. Access to the system shall be restricted to qualified agencies and the third-party
30 vendors with which the department of revenue contracts for purposes of the program,
31 provided that any third-party vendor with which a contract is executed to provide necessary
32 technology, equipment, or maintenance for the program shall be authorized as necessary to
33 collaborate for required updates and maintenance of system software.

34 5. For purposes of the program, any data collected and matched to a corresponding
35 vehicle insurance record as verified through the system, and any Missouri vehicle registration
36 database, may be used to identify violations of the motor vehicle financial responsibility law.
37 Such corresponding data shall constitute evidence of the violations.

38 6. Except as otherwise provided in this section, the department of revenue shall
39 suspend, in accordance with section 303.041, the registration of any motor vehicle that is
40 determined under the program to be in violation of the motor vehicle financial responsibility
41 law.

42 7. The department of revenue shall send to an owner whose vehicle is identified under
43 the program as being in violation of the motor vehicle financial responsibility law a notice
44 that the vehicle's registration may be suspended unless the owner, within thirty days, provides
45 proof of financial responsibility for the vehicle or proof, in a form specified by the department
46 of revenue, that the owner has a pending criminal charge for a violation of the motor vehicle
47 financial responsibility law. The notice shall include information on steps an individual may
48 take to obtain proof of financial responsibility and a web address to a page on the department
49 of revenue's website where information on obtaining proof of financial responsibility shall be
50 provided. If proof of financial responsibility or a pending criminal charge is not provided
51 within the time allotted, the department of revenue shall provide a notice of suspension and
52 suspend the vehicle's registration in accordance with section 303.041, or shall send a notice of
53 vehicle registration suspension, clearly specifying the reason and statutory grounds for the

54 suspension and the effective date of the suspension, the right of the vehicle owner to request a
55 hearing, the procedure for requesting a hearing, and the date by which that request for a
56 hearing must be made, as well as informing the owner that the matter will be referred for
57 prosecution if a satisfactory response is not received in the time allotted, informing the owner
58 that the minimum penalty for the violation is three hundred dollars [~~and four license points~~],
59 and offering the owner participation in a pretrial diversion option to preclude referral for
60 prosecution and registration suspension under sections 303.420 to 303.440. The notice of
61 vehicle registration suspension shall give a period of thirty-three days from mailing for the
62 vehicle owner to respond, and shall be deemed received three days after mailing. If no
63 request for a hearing or agreement to participate in the diversion option is received by the
64 department of revenue prior to the date provided on the notice of vehicle registration
65 suspension, the director shall suspend the vehicle's registration, effective immediately, and
66 refer the case to the appropriate prosecuting attorney. If an agreement by the vehicle owner to
67 participate in the diversion option is received by the department of revenue prior to the
68 effective date provided on the notice of vehicle registration suspension, then upon payment of
69 a diversion participation fee not to exceed two hundred dollars, agreement to secure proof of
70 financial responsibility within the time provided on the notice of suspension, and agreement
71 that such financial responsibility shall be maintained for a minimum of two years, no points
72 shall be assessed to the vehicle owner's driver's license under section 302.302 and the
73 department of revenue shall not take further action against the vehicle owner under sections
74 303.420 to 303.440, subject to compliance with the terms of the pretrial diversion option. The
75 department of revenue shall suspend the vehicle registration of, and shall refer the case to the
76 appropriate prosecuting attorney for prosecution of, participating vehicle owners who violate
77 the terms of the pretrial diversion option. If a request for hearing is received by the
78 department of revenue prior to the effective date provided on the notice of vehicle registration
79 suspension, then for all purposes other than eligibility for participation in the diversion
80 option, the effective date of the suspension shall be stayed until a final order is issued
81 following the hearing. The department of revenue shall suspend the registration of vehicles
82 determined under the final order to have violated the motor vehicle financial responsibility
83 law, and shall refer the case to the appropriate prosecuting attorney for prosecution. Notices
84 under this subsection shall be mailed to the vehicle owner at the last known address shown on
85 the department of revenue's records. The department of revenue or its third-party vendor
86 shall issue receipts for the collection of diversion participation fees. Except as otherwise
87 provided in subsection 1 of this section, all such fees shall be deposited into the motor vehicle
88 financial responsibility verification and enforcement fund established in section 303.422. A
89 vehicle owner whose registration has been suspended under sections 303.420 to 303.440 may
90 obtain reinstatement of the registration upon providing proof of financial responsibility and

91 payment to the department of revenue of a nonrefundable reinstatement fee equal to the fee
92 that would be applicable under subsection 2 of section 303.042 if the registration had been
93 suspended under section 303.041.

94 8. Data collected or retained under the program shall not be used by any entity for
95 purposes other than enforcement of the motor vehicle financial responsibility law. Data
96 collected and stored by law enforcement under the program shall be considered evidence if
97 noncompliance with the motor vehicle financial responsibility law is confirmed. The
98 evidence, and an affidavit stating that the evidence and system have identified a particular
99 vehicle as being in violation of the motor vehicle financial responsibility law, shall constitute
100 probable cause for prosecution and shall be forwarded in accordance with subsection 7 of this
101 section to the appropriate prosecuting attorney.

102 9. Owners of vehicles identified under the program as being in violation of the motor
103 vehicle financial responsibility law shall be provided with options for disputing such claims
104 which do not require appearance at any state or local court of law, or administrative facility.
105 Any person who presents timely proof that he or she was in compliance with the motor
106 vehicle financial responsibility law at the time of the alleged violation shall be entitled to
107 dismissal of the charge with no assessment of fees or fines. Proof provided by a vehicle
108 owner to the department of revenue that the vehicle was in compliance at the time of the
109 suspected violation of the motor vehicle financial responsibility law shall be recorded in the
110 system established by the department of revenue under section 303.430.

111 10. The collection of data pursuant to this section shall be done in a manner that
112 prohibits any bias towards a specific community, race, gender, or socioeconomic status of
113 vehicle owner.

114 11. Law enforcement agencies, third-party vendors, or other entities authorized to
115 operate under the program shall not sell data collected or retained under the program for any
116 purpose or share it for any purpose not expressly authorized in this section. All data shall be
117 secured and any third-party vendor or other entity authorized to operate under the program
118 may be liable for any data security breach.

119 12. The department of revenue shall not take action under sections 303.420 to
120 303.440 against vehicles registered as fleet vehicles under section 301.032, or against
121 vehicles known to the department of revenue to be insured under a policy of commercial auto
122 coverage, as such term is defined in subdivision (10) of subsection 2 of section 303.430.

123 13. Following one year after the implementation of the program, and every year
124 thereafter **for a period of five years**, the department of revenue shall provide a report to the
125 president pro tempore of the senate, the speaker of the house of representatives, the chairs of
126 the house and senate committees with jurisdictions over insurance or transportation matters,
127 and the chairs of the house budget and senate appropriations committees. The report shall

128 include an evaluation of program operations, information as to the costs of the program
129 incurred by the department of revenue, insurers, and the public, information as to the
130 effectiveness of the program in reducing the number of uninsured motor vehicles, and
131 anonymized demographic information including the race and zip code of vehicle owners
132 identified under the program as being in violation of the motor vehicle financial responsibility
133 law, and may include any additional information and recommendations for improvement of
134 the program deemed appropriate by the department of revenue. The department of revenue
135 may, by rule, require the state, counties, and municipalities to provide information in order to
136 complete the report.

137 14. The department of revenue may promulgate rules as necessary for the
138 implementation of this section. Any rule or portion of a rule, as that term is defined in section
139 536.010, that is created under the authority delegated in this section shall become effective
140 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
141 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
142 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
143 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant
144 of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be
145 invalid and void.

303.430. 1. The department of revenue shall establish and maintain a web-based
2 system for the verification of motor vehicle financial responsibility, shall provide access to
3 insurance reporting data and vehicle registration and financial responsibility data, and shall
4 require motor vehicle insurers to establish functionality for the verification system, as
5 provided in sections 303.420 to 303.440. The verification system, including any exceptions
6 as provided for in sections 303.420 to 303.440 or in the implementation guide developed to
7 support the program, shall supersede any existing verification system, and shall be the sole
8 system used for the purpose of verifying financial responsibility required under this chapter.

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

11 (1) The verification system shall transmit requests to insurers for verification of
12 motor vehicle insurance coverage via web services established by the insurers through the
13 internet in compliance with the specifications and standards of the Insurance Industry
14 Committee on Motor Vehicle Administration, or "IICMVA". Insurance company systems
15 shall respond to each request with a prescribed response upon evaluation of the data provided
16 in the request. The system shall include appropriate protections to secure its data against
17 unauthorized access, and the department of revenue shall maintain a historical record of the
18 system data for a period of no more than twelve months from the date of all requests and
19 responses. The system shall be used for verification of the financial responsibility required

20 under this chapter. The system shall be accessible to authorized personnel of the department
21 of revenue, the courts, law enforcement personnel, and other entities authorized by the state
22 as permitted by state or federal privacy laws, and it shall be interfaced, wherever appropriate,
23 with existing state systems. The system shall include information enabling the department of
24 revenue to submit inquiries to insurers regarding motor vehicle insurance which are
25 consistent with insurance industry and IICMVA recommendations, specifications, and
26 standards by using the following data elements for greater matching accuracy: insurer
27 National Association of Insurance Commissioners, or "NAIC", company code; vehicle
28 identification number; policy number; verification date; or as otherwise described in the
29 specifications and standards of the IICMVA. The department of revenue shall promulgate
30 rules to offer insurers who insure one thousand or fewer vehicles within this state an
31 alternative method for verifying motor vehicle insurance coverage in lieu of web services, and
32 to provide for the verification of financial responsibility when financial responsibility is
33 proven to the department to be maintained by means other than a policy of motor vehicle
34 insurance. Insurers shall not be required to verify insurance coverage for vehicles registered
35 in other jurisdictions;

36 (2) The verification system shall respond to each request within a time period
37 established by the department of revenue. An insurer's system shall respond within the time
38 period prescribed by the IICMVA's specifications and standards. Insurer systems shall be
39 permitted reasonable system downtime for maintenance and other work with advance notice
40 to the department of revenue. Insurers shall not be subject to enforcement fees or other
41 sanctions under such circumstances, or when systems are not available because of emergency,
42 outside attack, or other unexpected outages not planned by the insurer and reasonably outside
43 its control;

44 (3) The system shall assist in identifying violations of the motor vehicle financial
45 responsibility law in the most effective way possible. Responses to individual insurance
46 verification requests shall have no bearing on whether insurance coverage is determined to be
47 in force at the time of a claim. Claims shall be individually investigated to determine the
48 existence of coverage. Nothing in sections 303.420 to 303.440 shall prohibit the department
49 of revenue from contracting with a third-party vendor or vendors who have successfully
50 implemented similar systems in other states to assist in establishing and maintaining this
51 verification system;

52 (4) The department of revenue shall consult with representatives of the insurance
53 industry and may consult with third-party vendors to determine the objectives, details, and
54 deadlines related to the system by establishment of an advisory council. **Members of the**
55 **advisory council shall serve in an advisory capacity in matters pertaining to the**
56 **administration of sections 303.420 to 303.440, as the department of revenue may**

57 **request. The advisory council shall expire one year after implementation of the**
58 **program.** The advisory council shall consist of voting members comprised of:

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

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

63 (c) One representative of the department of commerce and insurance, to be appointed
64 by the director of the department of commerce and insurance;

65 (d) Three representatives of insurance companies, to be appointed by the director of
66 the department of commerce and insurance;

67 (e) One representative from the Missouri Insurance Coalition;

68 (f) One representative chosen by the National Association of Mutual Insurance
69 Companies;

70 (g) One representative chosen by the American Property and Casualty Insurance
71 Association;

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

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

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

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

80 (7) If the department of revenue has reason to believe a vehicle owner does not
81 maintain financial responsibility as required under this chapter, it may also request an insurer
82 to verify the existence of such financial responsibility in a form approved by the department
83 of revenue. In addition, insurers shall cooperate with the department of revenue in
84 establishing and maintaining the verification system established under this section, and shall
85 provide motor vehicle insurance policy status information as provided in the rules
86 promulgated by the department of revenue;

87 (8) Every property and casualty insurance company licensed to issue motor vehicle
88 insurance or authorized to do business in this state shall comply with sections 303.420 to
89 303.440, and corresponding rules promulgated by the department of revenue, for the
90 verification of such insurance for every vehicle insured by that company in this state;

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

94 (10) For the purposes of this section, "commercial auto coverage" shall mean any
95 coverage provided to an insured, regardless of number of vehicles or entities covered, under a
96 commercial coverage form and rated from a commercial manual approved by the department
97 of commerce and insurance. Sections 303.420 to 303.440 shall not apply to vehicles insured
98 under commercial auto coverage; however, insurers of such vehicles may participate on a
99 voluntary basis, and vehicle owners may provide proof at or subsequent to the time of vehicle
100 registration that a vehicle is insured under commercial auto coverage, which the department
101 of revenue shall record in the system;

102 (11) Insurers shall provide commercial or fleet automobile customers with evidence
103 reflecting that the vehicle is insured under a commercial or fleet automobile liability policy.
104 Sufficient evidence shall include an insurance identification card clearly marked with a
105 suitable identifier such as "commercial auto insurance identification card", "fleet auto
106 insurance identification card", or other clear identification that the vehicle is insured under a
107 fleet or commercial policy;

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

111 (13) Nothing in this section shall prohibit an insurer from using the services of a
112 third-party vendor for facilitating the verification system required under sections 303.420 to
113 303.440.

114 3. The department of revenue shall promulgate rules as necessary for the
115 implementation of sections 303.420 to 303.440. Any rule or portion of a rule, as that term
116 is defined in section 536.010, that is created under the authority delegated in this section shall
117 become effective only if it complies with and is subject to all of the provisions of chapter 536
118 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any
119 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
120 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then
121 the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023,
122 shall be invalid and void.

303.440. The verification system established under section 303.430 shall be installed
2 and fully operational [~~on January 1, 2025~~] **no later than December 31, 2027, or as soon as**
3 **technologically possible following the development and maintenance of a modernized,**
4 **integrated system for the titling of vehicles, issuance and renewal of vehicle**
5 **registrations, issuance and renewal of driver's licenses and identification cards, and**
6 **perfection and release of liens and encumbrances on vehicles, to be funded by the motor**
7 **vehicle administration technology fund as created in section 301.558,** following an
8 appropriate testing or pilot period of not less than nine months. Until the successful

9 completion of the testing or pilot period in the judgment of the director of the department of
10 revenue, no enforcement action shall be taken based on the system, including but not limited
11 to action taken under the program established under section 303.425.

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