

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 4

101ST GENERAL ASSEMBLY

0870S.04C

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 303.025 and 303.041, RSMo, and to enact in lieu thereof seven new sections relating to motor vehicle financial responsibility, with penalty provisions.

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

Section A. Sections 303.025 and 303.041, RSMo, are
2 repealed and seven new sections enacted in lieu thereof, to be
3 known as sections 303.025, 303.041, 303.420, 303.422, 303.425,
4 303.430, and 303.440, to read as follows:

303.025. 1. No owner of a motor vehicle registered in
2 this state, or required to be registered in this state,
3 shall operate, register or maintain registration of a motor
4 vehicle, or permit another person to operate such vehicle,
5 unless the owner maintains the financial responsibility
6 which conforms to the requirements of the laws of this
7 state. No nonresident shall operate or permit another
8 person to operate in this state a motor vehicle registered
9 to such nonresident unless the nonresident maintains the
10 financial responsibility which conforms to the requirements
11 of the laws of the nonresident's state of residence.
12 Furthermore, no person shall operate a motor vehicle owned
13 by another with the knowledge that the owner has not
14 maintained financial responsibility unless such person has
15 financial responsibility which covers the person's operation
16 of the other's vehicle; however, no owner or nonresident

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

17 shall be in violation of this subsection if he or she fails
18 to maintain financial responsibility on a motor vehicle
19 which is inoperable or being stored and not in operation.
20 **Notwithstanding any provision of law to the contrary, the**
21 **department of revenue may verify motor vehicle financial**
22 **responsibility as provided by law, but shall not otherwise**
23 **take legal or administrative action to enforce the**
24 **requirements of this section unless, in the discretion of**
25 **the director, the motor vehicle is determined to have been**
26 **operated in violation of this section, a motor vehicle**
27 **registration is applied for in violation of this section, or**
28 **the motor vehicle on two separate occasions thirty days**
29 **apart is determined to have its registration maintained in**
30 **violation of this section.** The director may prescribe rules
31 and regulations for the implementation of this section.

32 2. A motor vehicle owner shall maintain the owner's
33 financial responsibility in a manner provided for in section
34 303.160, or with a motor vehicle liability policy which
35 conforms to the requirements of the laws of this state. A
36 nonresident motor vehicle owner shall maintain the owner's
37 financial responsibility which conforms to the requirements
38 of the laws of the nonresident's state of residence.

39 3. Any person who violates this section is guilty of a
40 misdemeanor. A first violation of this section shall be
41 [punishable as] a class D misdemeanor **punished by a fine of**
42 **three hundred dollars.** A second or subsequent violation of
43 this section [shall] **may** be [punishable] **punished** by
44 imprisonment in the county jail for a term not to exceed
45 fifteen days [and/or] **and shall be punished by** a fine [not
46 to exceed] **of** five hundred dollars. Prior pleas of guilty
47 and prior findings of guilty shall be pleaded and proven in
48 the same manner as required by section 558.021. However, no

49 person shall be found guilty of violating this section if
50 the operator demonstrates to the court that he or she met
51 the financial responsibility requirements of this section at
52 the time the peace officer, commercial vehicle enforcement
53 officer or commercial vehicle inspector wrote the citation.
54 In addition to any other authorized punishment, the court
55 shall notify the director of revenue of any person convicted
56 pursuant to this section and shall do one of the following:

57 (1) Enter an order suspending the driving privilege as
58 of the date of the court order. If the court orders the
59 suspension of the driving privilege, the court shall require
60 the defendant to surrender to it any driver's license then
61 held by such person. The length of the suspension shall be
62 as prescribed in subsection 2 of section 303.042. The court
63 shall forward to the director of revenue the order of
64 suspension of driving privilege and any license surrendered
65 within ten days;

66 (2) Forward the record of the conviction for an
67 assessment of four points;

68 (3) In lieu of an assessment of points, render an
69 order of supervision as provided in section 302.303. An
70 order of supervision shall not be used in lieu of points
71 more than one time in any thirty-six-month period. Every
72 court having jurisdiction pursuant to the provisions of this
73 section shall forward a record of conviction to the Missouri
74 state highway patrol, or at the written direction of the
75 Missouri state highway patrol, to the department of revenue,
76 in a manner approved by the director of the department of
77 public safety. The director shall establish procedures for
78 the record keeping and administration of this section; or

79 (4) For a nonresident, suspend the nonresident's
80 driving privileges in this state in accordance with section

81 303.030 and notify the official in charge of the issuance of
82 licenses and registration certificates in the state in which
83 such nonresident resides in accordance with section 303.080.

84 4. Nothing in sections 303.010 to 303.050, 303.060,
85 303.140, 303.220, 303.290, 303.330 and 303.370 shall be
86 construed as prohibiting the department of commerce and
87 insurance from approving or authorizing those exclusions and
88 limitations which are contained in automobile liability
89 insurance policies and the uninsured motorist provisions of
90 automobile liability insurance policies.

91 5. If a court enters an order of suspension, the
92 offender may appeal such order directly pursuant to chapter
93 512 and the provisions of section 302.311 shall not apply.

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

20 a hearing must be made. If the request for a hearing is
21 received by the department prior to the effective date of
22 the suspension, the effective date of the suspension will be
23 stayed until a final order is issued following the hearing.

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

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

4 (1) "Law enforcement agency", the department of
5 revenue, the Missouri state highway patrol, the prosecuting
6 attorney or sheriff's office of any county or city not
7 within a county, the chiefs of police of any city or
8 municipality, or any other authorized law enforcement agency
9 recognized by the state;

10 (2) "Program", the motor vehicle financial
11 responsibility enforcement and compliance incentive program
12 established under section 303.425;

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 collected under sections 303.420 to 303.440. The
5 state treasurer shall be custodian of the fund. In
6 accordance with sections 30.170 and 30.180, the state
7 treasurer may approve disbursements. The fund shall be a
8 dedicated fund and money in the fund shall be used solely by
9 the department of revenue for the administration of sections
10 303.420 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. 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. All fees paid to or collected by such third-party
9 vendors may come from violator diversion fees generated by
10 the pretrial diversion option established under this
11 section. The department of revenue may offer offenders
12 under this program the option of pretrial diversion as an
13 alternative to statutory fines or reinstatement fees
14 prescribed under the motor vehicle financial responsibility

15 law as a method of encouraging compliance and discouraging
16 recidivism.

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

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

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

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

43 6. Except as otherwise provided in this section, the
44 department of revenue shall suspend, in accordance with
45 section 303.041, the registration of any motor vehicle that

46 is determined under the program to be in violation of the
47 motor vehicle financial responsibility law.

48 7. The department of revenue shall send to an owner
49 whose vehicle is identified under the program as being in
50 violation of the motor vehicle financial responsibility law
51 a notice that the vehicle's registration may be suspended
52 unless the owner, within thirty days, provides proof of
53 financial responsibility for the vehicle or proof, in a form
54 specified by the department of revenue, that the owner has a
55 pending criminal charge for a violation of the motor vehicle
56 financial responsibility law. If no such proof is provided
57 within the time allotted, the department of revenue shall
58 provide a notice of suspension and suspend the vehicle's
59 registration in accordance with section 303.041, or shall
60 send a notice of vehicle registration suspension, clearly
61 specifying the reason and statutory grounds for the
62 suspension and the effective date of the suspension, the
63 right of the vehicle owner to request a hearing, the
64 procedure for requesting a hearing, and the date by which
65 that request for a hearing must be made, as well as
66 informing the owner that the matter will be referred for
67 prosecution if a satisfactory response is not received in
68 the time allotted, informing the owner that the minimum
69 penalty for the violation is three hundred dollars and four
70 license points, and offering the owner participation in a
71 pretrial diversion option to preclude referral for
72 prosecution and registration suspension under sections
73 303.420 to 303.440. The notice of vehicle registration
74 suspension shall give a period of thirty-three days from
75 mailing for the vehicle owner to respond, and shall be
76 deemed received three days after mailing. If no request for
77 a hearing or agreement to participate in the diversion

78 option is received by the department of revenue prior to the
79 date provided on the notice of vehicle registration
80 suspension, the director shall suspend the vehicle's
81 registration, effective immediately, and refer the case to
82 the appropriate prosecuting attorney. If an agreement by
83 the vehicle owner to participate in the diversion option is
84 received by the department of revenue prior to the effective
85 date provided on the notice of vehicle registration
86 suspension, then upon payment of a diversion participation
87 fee not to exceed two hundred dollars, agreement to secure
88 proof of financial responsibility within the time provided
89 on the notice of suspension, and agreement that such
90 financial responsibility shall be maintained for a minimum
91 of two years, no points shall be assessed to the vehicle
92 owner's driver's license under section 302.302 and the
93 department of revenue shall not take further action against
94 the vehicle owner under sections 303.420 to 303.440, subject
95 to compliance with the terms of the pretrial diversion
96 option. The department of revenue shall suspend the vehicle
97 registration of, and shall refer the case to the appropriate
98 prosecuting attorney for prosecution of, participating
99 vehicle owners who violate the terms of the pretrial
100 diversion option. If a request for hearing is received by
101 the department of revenue prior to the effective date
102 provided on the notice of vehicle registration suspension,
103 then for all purposes other than eligibility for
104 participation in the diversion option, the effective date of
105 the suspension shall be stayed until a final order is issued
106 following the hearing. The department of revenue shall
107 suspend the registration of vehicles determined under the
108 final order to have violated the motor vehicle financial
109 responsibility law, and shall refer the case to the

110 appropriate prosecuting attorney for prosecution. Notices
111 under this subsection shall be mailed to the vehicle owner
112 at the last known address shown on the department of
113 revenue's records. The department of revenue or its third-
114 party vendor shall issue receipts for the collection of
115 diversion participation fees. All such fees received by the
116 department of revenue or its third-party vendor shall be
117 deposited into the motor vehicle financial responsibility
118 verification and enforcement fund established in section
119 303.422. A vehicle owner whose registration has been
120 suspended under sections 303.420 to 303.440 may obtain
121 reinstatement of the registration upon providing proof of
122 financial responsibility and payment to the department of
123 revenue of a nonrefundable reinstatement fee of twenty
124 dollars.

125 8. Data collected or retained under the program shall
126 not be used by any entity for purposes other than
127 enforcement of the motor vehicle financial responsibility
128 law. Data collected and stored by law enforcement under the
129 program shall be considered evidence if noncompliance with
130 the motor vehicle financial responsibility law is
131 confirmed. The evidence, and an affidavit stating that the
132 evidence and system have identified a particular vehicle as
133 being in violation of the motor vehicle financial
134 responsibility law, shall constitute probable cause for
135 prosecution and shall be forwarded in accordance with
136 subsection 7 of this section to the appropriate prosecuting
137 attorney.

138 9. Owners of vehicles identified under the program as
139 being in violation of the motor vehicle financial
140 responsibility law shall be provided with options for
141 disputing such claims which do not require appearance at any

142 state or local court of law, or administrative facility.
143 Any person who presents timely proof that he or she was in
144 compliance with the motor vehicle financial responsibility
145 law at the time of the alleged violation shall be entitled
146 to dismissal of the charge with no assessment of fees or
147 fines. Proof provided by a vehicle owner to the department
148 of revenue that the vehicle was in compliance at the time of
149 the suspected violation of the motor vehicle financial
150 responsibility law shall be recorded in the system
151 established by the department of revenue under section
152 303.430.

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

157 11. Law enforcement agencies, third-party vendors, or
158 other entities authorized to operate under the program shall
159 not sell data collected or retained under the program for
160 any purpose or share it for any purpose not expressly
161 authorized in this section. All data shall be secured and
162 any third-party vendor may be liable for any data security
163 breach.

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

171 13. Following one year after the implementation of the
172 program, and every year thereafter, the department of
173 revenue shall provide a report to the president pro tempore

174 of the senate, the speaker of the house of representatives,
175 the chairs of the house and senate committees with
176 jurisdictions over insurance or transportation matters, and
177 the chairs of the house budget and senate appropriations
178 committees. The report shall include an evaluation of
179 program operations, information as to the costs of the
180 program incurred by the department of revenue, insurers, and
181 the public, and information as to the effectiveness of the
182 program in reducing the number of uninsured motor vehicles,
183 and may include any additional information and
184 recommendations for improvement of the program deemed
185 appropriate by the department of revenue. The department of
186 revenue may, by rule, require the state, counties, and
187 municipalities to provide information in order to complete
188 the report.

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) Insurers shall be immune from civil and
155 administrative liability for good faith efforts to comply
156 with the terms of sections 303.420 to 303.440;

157 (13) Nothing in this section shall prohibit an insurer
158 from using the services of a third-party vendor for
159 facilitating the verification system required under sections
160 303.420 to 303.440.

161 3. The department of revenue shall promulgate rules as
162 necessary for the implementation of sections 303.420 to
163 303.440. Any rule or portion of a rule, as that term is
164 defined in section 536.010, that is created under the
165 authority delegated in this section shall become effective
166 only if it complies with and is subject to all of the
167 provisions of chapter 536 and, if applicable, section
168 536.028. This section and chapter 536 are nonseverable and
169 if any of the powers vested with the general assembly
170 pursuant to chapter 536 to review, to delay the effective
171 date, or to disapprove and annul a rule are subsequently
172 held unconstitutional, then the grant of rulemaking
173 authority and any rule proposed or adopted after August 28,
174 2021, shall be invalid and void.

 303.440. The verification system established under
2 section 303.430 shall be installed and fully operational by

3 January 1, 2023, 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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