

1 ENGROSSED SENATE
2 BILL NO. 115

By: Sharp of the Senate

3 and

4 Moore of the House

5
6 An Act relating to online verification of motor
7 vehicle insurance; amending 47 O.S. 2011, Section 7-
8 600.2, as amended by Section 1, Chapter 88, O.S.L.
9 2016 (47 O.S. Supp. 2016, Section 7-600.2), which
10 relates to rules for the online verification system;
11 transferring certain responsibilities and duties for
12 the online verification system from the Department of
13 Public Safety to the Insurance Department; adding the
14 district attorneys to list of entities authorized to
15 access verification system; authorizing the Insurance
16 Commissioner to initiate administrative proceedings
17 in event of violation; amending Section 1, Chapter
18 365, O.S.L. 2016 (47 O.S. Supp. 2016, Section 7-
19 606.1), which relates to uninsured vehicles;
20 transferring responsibility for certain acts from the
21 Department of Public Safety to the Insurance
22 Department; amending 47 O.S. 2011, Section 7-602, as
23 amended by Section 1, Chapter 146, O.S.L. 2015 (47
24 O.S. Supp. 2016, Section 7-602), which relates to
existence of security on the online verification
system; adding certain persons to list of authorized
sources of insurance verification; authorizing
electronic delivery of proof of security
verification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-600.2, as
amended by Section 1, Chapter 88, O.S.L. 2016 (47 O.S. Supp. 2016,
Section 7-600.2), is amended to read as follows:

1 Section 7-600.2. A. The Department of Public Safety shall
2 ~~promulgate and adopt, pursuant to the Administrative Procedures Act,~~
3 ~~rules for an~~ transfer to the Oklahoma Insurance Department by
4 January 1, 2018, the online verification system for motor vehicle
5 liability policies as required by the Compulsory Insurance Law,
6 subject to the following:

7 1. The Oklahoma Tax Commission and the ~~Insurance~~ Department of
8 Public Safety shall cooperate with the Insurance Department ~~of~~
9 ~~Public Safety~~ in the ~~development~~ ongoing improvement and maintenance
10 of the verification system;

11 2. The verification system shall be accessible through the
12 Internet, World Wide Web or a similar proprietary or common carrier
13 electronic system by authorized personnel of the Department of
14 Public Safety, the Tax Commission, the district attorneys, the
15 courts, law enforcement personnel, and any other entities authorized
16 by the Insurance Department;

17 3. The verification system shall provide for direct inquiry and
18 response between the Insurance Department and insurance carriers, or
19 such other method of inquiry and response as agreed to by the
20 Insurance Department and individual insurance carriers, and direct
21 access to insurers' records by personnel authorized by the Insurance
22 Department;

23 4. The verification system shall be available twenty-four (24)
24 hours a day to verify the insurance status of any vehicle registered

1 in this state through the vehicle's identification number, policy
2 number, registered owner's name or other identifying characteristic
3 or marker as prescribed by the Insurance Department in its rules;

4 5. The Insurance Department may contract with a private vendor
5 to assist in establishing and maintaining the verification system;

6 6. The verification system shall include appropriate
7 provisions, consistent with industry standards, to secure its data
8 against unauthorized access and to maintain a record of all
9 information requests;

10 7. Information contained in the verification system shall not
11 be considered a public record;

12 8. Any law enforcement officer, to establish compliance with
13 the Compulsory Insurance Law during a traffic stop or accident
14 investigation, shall access information from the online verification
15 system to verify the current validity of the policy described on a
16 security verification form produced by the operator of each motor
17 vehicle during the traffic stop or accident investigation. If
18 compliance is not confirmed for the policy described on the security
19 verification form produced by the operator and a subsequent
20 investigation conducted by the officer verifies that the operator is
21 not in compliance, the officer may issue a citation to the operator
22 for failure to comply with the Compulsory Insurance Law;

23 9. If the operator fails to produce the security verification
24 form during a traffic stop or accident investigation, the requesting

1 law enforcement officer shall access information from the online
2 verification system through the vehicle's identification number,
3 registered owner's name, license plate number or other identifying
4 characteristic or marker to verify valid and current security and
5 establish compliance with the Compulsory Insurance Law and shall not
6 issue a citation if valid and current security is established. If
7 the operator fails to produce the security verification form and
8 compliance is not confirmed through the online verification system,
9 the officer may issue a citation to the operator for failure to
10 comply with the Compulsory Insurance Law;

11 10. Establishing compliance with the Compulsory Insurance Law
12 through the online verification system shall not be the primary
13 cause for law enforcement to stop a motor vehicle; and

14 11. All information exchanged between the Insurance Department
15 and insurance companies, any database created, and all reports,
16 responses, or other information generated for the purposes of the
17 verification system shall not be subject to the Oklahoma Open
18 Records Act.

19 B. This section shall not apply to a policy issued pursuant to
20 paragraph 3 of subsection A of Section 7-601.1 of this title or
21 paragraph 3 of subsection A of Section 7-602 of this title to insure
22 a commercial motor vehicle or to insure any vehicle under a
23 commercial policy that provides commercial auto coverage as defined
24 in Section 7-600 of this title.

1 C. As a condition for writing motor vehicle liability policies
2 in this state, insurance carriers shall cooperate with the Insurance
3 Department in establishing and maintaining the insurance
4 verification system and shall provide access to motor vehicle
5 insurance policy status information as provided in the rules of the
6 Insurance Department. The Insurance Commissioner may, pursuant to
7 Title 36 of the Oklahoma Statutes, initiate an administrative
8 proceeding against any insurance company found by the Commissioner
9 to not be in compliance with the provisions of this section or any
10 rules promulgated pursuant to this section.

11 SECTION 2. AMENDATORY Section 1, Chapter 365, O.S.L.
12 2016 (47 O.S. Supp. 2016, Section 7-606.1), is amended to read as
13 follows:

14 Section 7-606.1. A. There is hereby created the Uninsured
15 Vehicle Enforcement Program.

16 B. The Uninsured Vehicle Enforcement Program shall be
17 implemented and administered by the district attorneys of the State
18 of Oklahoma within their respective districts or at the District
19 Attorneys Council. To implement this program, the use of technology
20 and software to aid in detection of offenses involving uninsured
21 motorists is necessary and district attorneys and participating law
22 enforcement agencies shall have the authority to enter into
23 contractual agreements with automated license plate reader providers
24 to provide necessary technology, equipment and maintenance thereof.

1 C. 1. Participating law enforcement agencies may use automatic
2 license plate reader systems utilizing individual automatic license
3 plate reader system units to access and collect data for the
4 investigation, detection, analysis or enforcement of Oklahoma's
5 Compulsory Insurance Law.

6 2. To accomplish the purposes of the program, law enforcement
7 agencies shall be allowed to access the online verification system
8 for motor vehicle liability policies to establish compliance with
9 the Compulsory Insurance Law as provided in Section 7-600.2 of Title
10 47 of the Oklahoma Statutes.

11 3. Access to the system shall be restricted to authorized law
12 enforcement agency users in the program; provided, any entity with
13 which a contract is executed to provide necessary technology,
14 equipment and maintenance for purposes of the program shall be
15 authorized, as necessary, to collaborate for required updates and
16 maintenance of their software.

17 4. Any data collected and stored by law enforcement pursuant to
18 the program shall be considered evidence if noncompliance with the
19 Compulsory Insurance Law is confirmed.

20 D. A law enforcement officer may verify by sworn affidavit that
21 a photograph generated by an automatic license plate reader system
22 unit identifies a particular vehicle operating on or having been
23 operated on a public road, highway, street, turnpike, other public
24 place or upon any private road, street, alley or lane which provides

1 access to one or more single-family or multifamily dwellings and
2 that the online verification system shows that the vehicle was
3 uninsured at the time such vehicle was being operated. The
4 affidavit shall constitute probable cause for prosecution under
5 applicable state law.

6 E. Data collected or retained through the use of an automated
7 license plate reader system pursuant to the program shall be
8 retained by a law enforcement agency when the data is being used as
9 evidence of a violation of the Compulsory Insurance Law; provided,
10 when the data is no longer needed as evidence of a violation, the
11 data shall be deleted or destroyed.

12 F. Data collected or retained through the use of an automated
13 license plate reader system shall not be used by any individual or
14 agency for purposes other than enforcement of the Compulsory
15 Insurance Law or as otherwise permitted by law.

16 1. No law enforcement agency or other entity authorized to
17 operate under this program shall sell captured license plate data
18 for any purpose or share it for any purpose not expressly authorized
19 by this section.

20 2. Any and all data collected, retained or shared through the
21 use of an automated license plate reader system, except data
22 retained as evidence of a violation of the Compulsory Insurance Law,
23 shall be exempt from the Oklahoma Open Records Act.

24

1 G. The provisions of the program shall not apply to, or be
2 construed or interpreted in a manner to prohibit the use of, any
3 other automated license plate reader system by an individual or
4 private legal entity for purposes not otherwise prohibited by law.

5 H. The provisions of the program shall not be implemented until
6 such time that the Insurance Department ~~of Public Safety~~ verifies
7 that the following conditions have been met:

8 1. At least Ninety-Five Percent (95%) of the personal lines
9 auto insurance market in the state participates in the Oklahoma
10 Compulsory Insurance Verification System using a real-time web
11 portal system; and

12 2. The Oklahoma Compulsory Insurance Verification System is
13 updated in such a way to allow for the provisions of the program to
14 be implemented without interrupting or impeding any other lawful
15 uses of the system.

16 I. Following the implementation of the program and every year
17 thereafter, the District Attorneys Council shall publish an annual
18 report for the previous fiscal year of the Uninsured Vehicle
19 Enforcement Program by September 1. An electronic copy of the
20 report shall be distributed to the President Pro Tempore of the
21 Senate and the Speaker of the House of Representatives and the
22 chairs of the House and Senate Appropriations Committees. The
23 report shall comprise an evaluation of program operations, and may
24

1 include any information and recommendations for improvement of the
2 program deemed appropriate by the entity submitting the report.

3 J. For purposes of this section:

4 1. "Automatic license plate reader system" means a system of
5 one or more mobile or law-enforcement-controlled cameras combined
6 with computer algorithms to convert images of registration plates
7 into computer-readable data;

8 2. "Law enforcement agency" includes the district attorney's
9 office of any county, the Department of Public Safety, the sheriff's
10 office of any county, and the chiefs of police of any city or town
11 having a population of more than one hundred thousand (100,000)
12 residents; and

13 3. "Program" means the Uninsured Vehicle Enforcement Program.

14 SECTION 3. AMENDATORY 47 O.S. 2011, Section 7-602, as
15 amended by Section 1, Chapter 146, O.S.L. 2015 (47 O.S. Supp. 2016,
16 Section 7-602), is amended to read as follows:

17 Section 7-602. A. 1. The owner of a motor vehicle registered
18 in this state shall carry in the vehicle at all times a current
19 owner's security verification form listing the vehicle or an
20 equivalent form which has been issued by the Department of Public
21 Safety, and the operator of the vehicle shall produce the form upon
22 request for inspection by any law enforcement officer or
23 representative of the Department and, in case of an accident, the
24

1 form shall be shown upon request to any person affected by the
2 accident.

- 3 2. a. Every person registering a motor vehicle in this
4 state, except a motor vehicle which is not being used
5 upon the public highways or public streets, or a
6 manufactured home while on a permanent foundation, at
7 the time of registration of the vehicle, shall certify
8 the existence of security with respect to the vehicle
9 by providing to a motor license agent or other
10 registering agency necessary information from the
11 current owner's security verification in a manner that
12 allows verification of coverage through the online
13 verification system. The information shall include
14 the name or number issued by the National Association
15 of Insurance Commissioners of the current insurance
16 carrier authorized to do business in this state and
17 the policy number applicable to the vehicle being
18 registered. A motor license agent or other
19 registering agency shall require the submission of the
20 form or other verifying information prior to
21 processing an application for registration or renewal.
- 22 b. Every motor license agent or other registering agency
23 shall use the online verification system to certify
24 the existence of security with respect to the vehicle

1 from an insurance carrier authorized to do business in
2 this state unless the online verification system is
3 not online or the required information is otherwise
4 not available. In such a case, the license agent or
5 other registering agency may accept verification as
6 provided in subparagraph a of this paragraph or from a
7 licensed insurance producer or customer service
8 representative to certify the existence of the
9 required insurance prior to processing any application
10 for motor vehicle registration. Every motor license
11 agent or other registering agent shall allow
12 submission of proof from a licensed insurance producer
13 or customer service representative pursuant to this
14 subparagraph via electronic mail at no additional cost
15 to the person registering the vehicle.

16 3. Fleet vehicles operating under the authority of the
17 Corporation Commission, the Federal Highway Administration, or
18 vehicles registered pursuant to the provisions of Section 1120 of
19 this title, shall certify the existence of security with respect to
20 each vehicle at the time of registration by submitting one of the
21 following:

- 22 a. a current owner's security verification form verifying
23 the existence of security as required by the
24 Compulsory Insurance Law, or

1 b. a permit number verified by the Corporation Commission
2 indicating the existence of a current liability
3 insurance policy. Provided, in the event the
4 Corporation Commission is unable to verify the
5 existence of insurance as provided herein in a prompt
6 and timely fashion, the Corporation Commission may
7 accept a current single state registration form issued
8 by the Corporation Commission or any other regulating
9 entity with which the Corporation Commission has
10 entered into a reciprocal compact or agreement
11 regarding the regulation of motor vehicles engaged in
12 interstate or foreign commerce upon and over the
13 public highways.

14 4. The following shall not be required to carry an owner's or
15 operator's security verification form or an equivalent form from the
16 Department of Public Safety during operation of the vehicle and
17 shall not be required to surrender a security verification form for
18 vehicle registration purposes:

19 a. any vehicle owned or leased by the federal or state
20 government, or any agency or political subdivision
21 thereof,

22 b. any vehicle bearing the name, symbol, or logo of a
23 business, corporation or utility on the exterior and
24 which is in compliance with the provisions of the

1 Compulsory Insurance Law according to records of the
2 Corporation Commission which reflect a deposit or
3 fleet policy,

4 c. fleet vehicles maintaining current vehicle liability
5 insurance as required by the Corporation Commission or
6 any other regulating entity,

7 d. any licensed taxicab, and

8 e. any vehicle owned by a licensed used motor vehicle
9 dealer.

10 5. Any person who knowingly issues or promulgates false or
11 fraudulent information in connection with either an owner's or
12 operator's security verification form or an equivalent form which
13 has been issued by the Department of Public Safety shall be guilty
14 of a misdemeanor and upon conviction shall be subject to a fine not
15 exceeding Five Hundred Dollars (\$500.00), or imprisonment for not
16 more than six (6) months, or by both such fine and imprisonment.

17 B. Each motor license agent is authorized to charge a fee of
18 One Dollar and fifty cents (\$1.50) to each person to whom the agent
19 issues a certificate of registration and who is required to
20 surrender proof of financial responsibility, or for whom the motor
21 license agent certifies the existence of financial responsibility
22 through an authorized online certification system, pursuant to the
23 provisions of the Compulsory Insurance Law. The fee may be retained
24 by the agent as compensation for services in processing the proof of

financial responsibility and for processing the driver license information, insurance verification information, and other additional information furnished to the agent pursuant to Section 1112 of this title, if such agent does not receive the maximum compensation as authorized by law.

SECTION 4. This act shall become effective November 1, 2017.

Passed the Senate the 22nd day of February, 2017.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2017.

Presiding Officer of the House
of Representatives