

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 HOUSE BILL 1713

 By: Moore of the House

5 and

6 Brown of the Senate

7
8
9 AS INTRODUCED

10 An Act relating to motor vehicles; amending 47 O.S.
11 2011, Sections 7-600.2, as amended by Section 1,
12 Chapter 88, O.S.L. 2016, 7-602, as amended by Section
13 1, Chapter 146, O.S.L. 2015 and Section 1, Chapter
14 365, O.S.L. 2016 (47 O.S. Supp. 2016, Sections 7-
15 600.2, 7-602 and 7-606.1), which relate to compulsory
16 liability insurance; transferring the online
17 compulsory insurance verification system from the
18 Department of Public Safety to the Oklahoma Insurance
19 Department; authorizing the Insurance Department to
20 promulgate rules; authorizing district attorneys to
21 access the verification system; authorizing the
22 Insurance Commissioner to initiate administrative
23 proceeds against noncomplying insurance companies;
24 authorizing license agent or other registering agency
 to accept verification from insurance producer or
 customer service representative; allowing certain
 submission of proof via electronic mail; updating
 references; and providing an effective date.

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

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

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

12 1. The Oklahoma Tax Commission and the ~~Insurance~~ Department of
13 Public Safety shall cooperate with the Insurance Department ~~of~~
14 ~~Public Safety~~ in the ~~development~~ ongoing improvement and maintenance
15 of the verification system;

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

22 3. The verification system shall provide for direct inquiry and
23 response between the Insurance Department and insurance carriers, or
24 such other method of inquiry and response as agreed to by the

1 Insurance Department and individual insurance carriers, and direct
2 access to insurers' records by personnel authorized by the Insurance
3 Department;

4 4. The verification system shall be available twenty-four (24)
5 hours a day to verify the insurance status of any vehicle registered
6 in this state through the vehicle's identification number, policy
7 number, registered owner's name or other identifying characteristic
8 or marker as prescribed by the Insurance Department in its rules;

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

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

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

17 8. Any law enforcement officer, to establish compliance with
18 the Compulsory Insurance Law during a traffic stop or accident
19 investigation, shall access information from the online verification
20 system to verify the current validity of the policy described on a
21 security verification form produced by the operator of each motor
22 vehicle during the traffic stop or accident investigation. If
23 compliance is not confirmed for the policy described on the security
24 verification form produced by the operator and a subsequent

1 investigation conducted by the officer verifies that the operator is
2 not in compliance, the officer may issue a citation to the operator
3 for failure to comply with the Compulsory Insurance Law;

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

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

19 11. All information exchanged between the Insurance Department
20 and insurance companies, any database created, and all reports,
21 responses, or other information generated for the purposes of the
22 verification system shall not be subject to the Oklahoma Open
23 Records Act.

1 B. This section shall not apply to a policy issued pursuant to
2 paragraph 3 of subsection A of Section 7-601.1 of this title or
3 paragraph 3 of subsection A of Section 7-602 of this title to insure
4 a commercial motor vehicle or to insure any vehicle under a
5 commercial policy that provides commercial auto coverage as defined
6 in Section 7-600 of this title.

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

17 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-602, as
18 amended by Section 1, Chapter 146, O.S.L. 2015 (47 O.S. Supp. 2016,
19 Section 7-602), is amended to read as follows:

20 Section 7-602. A. 1. The owner of a motor vehicle registered
21 in this state shall carry in the vehicle at all times a current
22 owner's security verification form listing the vehicle or an
23 equivalent form which has been issued by the Department of Public
24 Safety, and the operator of the vehicle shall produce the form upon

1 request for inspection by any law enforcement officer or
2 representative of the Department and, in case of an accident, the
3 form shall be shown upon request to any person affected by the
4 accident.

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

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

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

- a. a current owner's security verification form verifying the existence of security as required by the Compulsory Insurance Law, or
- b. a permit number verified by the Corporation Commission indicating the existence of a current liability insurance policy. Provided, in the event the Corporation Commission is unable to verify the existence of insurance as provided herein in a prompt and timely fashion, the Corporation Commission may accept a current single state registration form issued by the Corporation Commission or any other regulating entity with which the Corporation Commission has entered into a reciprocal compact or agreement regarding the regulation of motor vehicles engaged in interstate or foreign commerce upon and over the public highways.

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

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

- b. any vehicle bearing the name, symbol, or logo of a business, corporation or utility on the exterior and which is in compliance with the provisions of the Compulsory Insurance Law according to records of the Corporation Commission which reflect a deposit or fleet policy,
- c. fleet vehicles maintaining current vehicle liability insurance as required by the Corporation Commission or any other regulating entity,
- d. any licensed taxicab, and
- e. any vehicle owned by a licensed used motor vehicle dealer.

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

B. Each motor license agent is authorized to charge a fee of One Dollar and fifty cents (\$1.50) to each person to whom the agent issues a certificate of registration and who is required to surrender proof of financial responsibility, or for whom the motor license agent certifies the existence of financial responsibility

1 through an authorized online certification system, pursuant to the
2 provisions of the Compulsory Insurance Law. The fee may be retained
3 by the agent as compensation for services in processing the proof of
4 financial responsibility and for processing the driver license
5 information, insurance verification information, and other
6 additional information furnished to the agent pursuant to Section
7 1112 of this title, if such agent does not receive the maximum
8 compensation as authorized by law.

9 SECTION 3. AMENDATORY Section 1, Chapter 365, O.S.L.
10 2016 (47 O.S. Supp. 2016, Section 7-606.1), is amended to read as
11 follows:

12 Section 7-606.1 A. There is hereby created the Uninsured
13 Vehicle Enforcement Program.

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

23 C. 1. Participating law enforcement agencies may use automatic
24 license plate reader systems utilizing individual automatic license

1 plate reader system units to access and collect data for the
2 investigation, detection, analysis or enforcement of Oklahoma's
3 Compulsory Insurance Law.

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

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

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

18 D. A law enforcement officer may verify by sworn affidavit that
19 a photograph generated by an automatic license plate reader system
20 unit identifies a particular vehicle operating on or having been
21 operated on a public road, highway, street, turnpike, other public
22 place or upon any private road, street, alley or lane which provides
23 access to one or more single-family or multifamily dwellings and
24 that the online verification system shows that the vehicle was

1 uninsured at the time such vehicle was being operated. The
2 affidavit shall constitute probable cause for prosecution under
3 applicable state law.

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

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

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

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

22 G. The provisions of the program shall not apply to, or be
23 construed or interpreted in a manner to prohibit the use of, any
24

1 other automated license plate reader system by an individual or
2 private legal entity for purposes not otherwise prohibited by law.

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

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

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

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

24 J. For purposes of this section:

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

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

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

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

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13 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/14/2017 - DO
14 PASS, As Coauthored.