

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 ENGROSSED SENATE
5 BILL NO. 115

By: Sharp of the Senate

and

Moore of the House

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

33 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 by
7 January 1, 2018, the online verification system for motor vehicle
8 liability policies as required by the Compulsory Insurance Law,
9 subject to the following:

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

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

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

1 access to insurers' records by personnel authorized by the Insurance
2 Department;

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

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

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

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

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

1 not in compliance, the officer may issue a citation to the operator
2 for failure to comply with the Compulsory Insurance Law;

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

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

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

23 B. This section shall not apply to a policy issued pursuant to
24 paragraph 3 of subsection A of Section 7-601.1 of this title or

1 paragraph 3 of subsection A of Section 7-602 of this title to insure
2 a commercial motor vehicle or to insure any vehicle under a
3 commercial policy that provides commercial auto coverage as defined
4 in Section 7-600 of this title.

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

15 SECTION 2. AMENDATORY Section 1, Chapter 365, O.S.L.
16 2016 (47 O.S. Supp. 2016, Section 7-606.1), is amended to read as
17 follows:

18 Section 7-606.1. A. There is hereby created the Uninsured
19 Vehicle Enforcement Program.

20 B. The Uninsured Vehicle Enforcement Program shall be
21 implemented and administered by the district attorneys of the State
22 of Oklahoma within their respective districts or at the District
23 Attorneys Council. To implement this program, the use of technology
24 and software to aid in detection of offenses involving uninsured

1 motorists is necessary and district attorneys and participating law
2 enforcement agencies shall have the authority to enter into
3 contractual agreements with automated license plate reader providers
4 to provide necessary technology, equipment and maintenance thereof.

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

10 2. To accomplish the purposes of the program, law enforcement
11 agencies shall be allowed to access the online verification system
12 for motor vehicle liability policies to establish compliance with
13 the Compulsory Insurance Law as provided in Section 7-600.2 of Title
14 47 of the Oklahoma Statutes.

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

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

1 D. A law enforcement officer may verify by sworn affidavit that
2 a photograph generated by an automatic license plate reader system
3 unit identifies a particular vehicle operating on or having been
4 operated on a public road, highway, street, turnpike, other public
5 place or upon any private road, street, alley or lane which provides
6 access to one or more single-family or multifamily dwellings and
7 that the online verification system shows that the vehicle was
8 uninsured at the time such vehicle was being operated. The
9 affidavit shall constitute probable cause for prosecution under
10 applicable state law.

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

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

21 1. No law enforcement agency or other entity authorized to
22 operate under this program shall sell captured license plate data
23 for any purpose or share it for any purpose not expressly authorized
24 by this section.

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

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

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

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

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

20 I. Following the implementation of the program and every year
21 thereafter, the District Attorneys Council shall publish an annual
22 report for the previous fiscal year of the Uninsured Vehicle
23 Enforcement Program by September 1. An electronic copy of the
24 report shall be distributed to the President Pro Tempore of the

Senate and the Speaker of the House of Representatives and the chairs of the House and Senate Appropriations Committees. The report shall comprise an evaluation of program operations, and may include any information and recommendations for improvement of the program deemed appropriate by the entity submitting the report.

J. For purposes of this section:

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

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

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

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

Section 7-602. A. 1. The owner of a motor vehicle registered in this state shall carry in the vehicle at all times a current owner's security verification form listing the vehicle or an equivalent form which has been issued by the Department of Public 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 4. This act shall become effective November 1, 2017.

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11 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 03/29/2017 - DO
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