

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1713

By: Moore

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 2011, Sections 7-600.2, as amended by Section 1, Chapter 88, O.S.L. 2016, 7-602, as amended by Section 1, Chapter 146, O.S.L. 2015 and Section 1, Chapter 365, O.S.L. 2016 (47 O.S. Supp. 2016, Sections 7-600.2, 7-602 and 7-606.1), which relate to compulsory liability insurance; transferring the online compulsory insurance verification system from the Department of Public Safety to the Oklahoma Insurance Department; authorizing the Insurance Department to promulgate rules; authorizing district attorneys to access the verification system; authorizing the Insurance Commissioner to initiate administrative proceeds against noncomplying insurance companies; 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:

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:

Section 7-600.2 A. The Department of Public Safety shall ~~promulgate and adopt, pursuant to the Administrative Procedures Act,~~

1 ~~rules for an~~ transfer to the Oklahoma Insurance Department the
2 online verification system for motor vehicle liability policies as
3 required by the Compulsory Insurance Law, by January 1, 2018. The
4 Insurance Department shall promulgate and adopt, pursuant to the
5 Administrative Procedures Act, rules for the online insurance
6 verification system, 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 or other identifying characteristic or
4 marker to verify valid and current security and establish compliance
5 with the Compulsory Insurance Law and shall not issue a citation if
6 valid and current security is established. If the operator fails to
7 produce the security verification form and compliance is not
8 confirmed through the online verification system, the officer may
9 issue a citation to the operator for failure to comply with the
10 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 47 O.S. 2011, Section 7-602, as
12 amended by Section 1, Chapter 146, O.S.L. 2015 (47 O.S. Supp. 2016,
13 Section 7-602), is amended to read as follows:

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

23 2. a. Every person registering a motor vehicle in this
24 state, except a motor vehicle which is not being used

1 upon the public highways or public streets, or a
2 manufactured home while on a permanent foundation, at
3 the time of registration of the vehicle, shall certify
4 the existence of security with respect to the vehicle
5 by providing to a motor license agent or other
6 registering agency necessary information from the
7 current owner's security verification in a manner that
8 allows verification of coverage through the online
9 verification system. The information shall include
10 the name or number issued by the National Association
11 of Insurance Commissioners of the current insurance
12 carrier authorized to do business in this state and
13 the policy number applicable to the vehicle being
14 registered. A motor license agent or other
15 registering agency shall require the submission of the
16 form or other verifying information prior to
17 processing an application for registration or renewal.

- 18 b. Every motor license agent or other registering agency
19 shall use the online verification system to certify
20 the existence of security with respect to the vehicle
21 from an insurance carrier authorized to do business in
22 this state unless the online verification system is
23 not online or the required information is otherwise
24 not available. In such a case, the license agent or

1 other registering agency may accept verification as
2 provided in subparagraph a of this paragraph or from a
3 licensed insurance producer or customer service
4 representative to certify the existence of the
5 required insurance prior to processing any application
6 for motor vehicle registration. Every motor license
7 agent or other registering agent shall allow
8 submission of proof from a licensed insurance producer
9 or customer service representative pursuant to this
10 subparagraph via electronic mail at no additional cost
11 to the person registering the vehicle.

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

- 18 a. a current owner's security verification form verifying
19 the existence of security as required by the
20 Compulsory Insurance Law, or
21 b. a permit number verified by the Corporation Commission
22 indicating the existence of a current liability
23 insurance policy. Provided, in the event the
24 Corporation Commission is unable to verify the

1 existence of insurance as provided herein in a prompt
2 and timely fashion, the Corporation Commission may
3 accept a current single state registration form issued
4 by the Corporation Commission or any other regulating
5 entity with which the Corporation Commission has
6 entered into a reciprocal compact or agreement
7 regarding the regulation of motor vehicles engaged in
8 interstate or foreign commerce upon and over the
9 public highways.

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

- 15 a. any vehicle owned or leased by the federal or state
16 government, or any agency or political subdivision
17 thereof,
- 18 b. any vehicle bearing the name, symbol, or logo of a
19 business, corporation or utility on the exterior and
20 which is in compliance with the provisions of the
21 Compulsory Insurance Law according to records of the
22 Corporation Commission which reflect a deposit or
23 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 through an authorized online certification system, pursuant to the provisions of the Compulsory Insurance Law. The fee may be retained 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

1 1112 of this title, if such agent does not receive the maximum
2 compensation as authorized by law.

3 SECTION 3. AMENDATORY Section 1, Chapter 365, O.S.L.
4 2016 (47 O.S. Supp. 2016, Section 7-606.1), is amended to read as
5 follows:

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

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

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

22 2. To accomplish the purposes of the program, law enforcement
23 agencies shall be allowed to access the online verification system
24 for motor vehicle liability policies to establish compliance with

1 the Compulsory Insurance Law as provided in Section 7-600.2 of Title
2 47 of the Oklahoma Statutes.

3 3. Access to the system shall be restricted to authorized law
4 enforcement agency users in the program; provided, any entity with
5 which a contract is executed to provide necessary technology,
6 equipment and maintenance for purposes of the program shall be
7 authorized, as necessary, to collaborate for required updates and
8 maintenance of their software.

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

12 D. A law enforcement officer may verify by sworn affidavit that
13 a photograph generated by an automatic license plate reader system
14 unit identifies a particular vehicle operating on or having been
15 operated on a public road, highway, street, turnpike, other public
16 place or upon any private road, street, alley or lane which provides
17 access to one or more single-family or multifamily dwellings and
18 that the online verification system shows that the vehicle was
19 uninsured at the time such vehicle was being operated. The
20 affidavit shall constitute probable cause for prosecution under
21 applicable state law.

22 E. Data collected or retained through the use of an automated
23 license plate reader system pursuant to the program shall be
24 retained by a law enforcement agency when the data is being used as

1 evidence of a violation of the Compulsory Insurance Law; provided,
2 when the data is no longer needed as evidence of a violation, the
3 data shall be deleted or destroyed.

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

8 1. No law enforcement agency or other entity authorized to
9 operate under this program shall sell captured license plate data
10 for any purpose or share it for any purpose not expressly authorized
11 by this section.

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

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

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

23 1. At least ~~Ninety-Five Percent~~ ninety-five percent (95%) of
24 the personal lines auto insurance market in the state participates

1 in the Oklahoma Compulsory Insurance Verification System using a
2 real-time web portal system; and

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

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

17 J. For purposes of this section:

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

22 2. "Law enforcement agency" includes the district attorney's
23 office of any county, the Department of Public Safety, the sheriff's
24 office of any county, and the chiefs of police of any city or town

1 having a population of more than one hundred thousand (100,000)
2 residents; and

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

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

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