MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Ford (54th)

To: Insurance

HOUSE BILL NO. 776

AN ACT TO REENACT SECTIONS 63-16-1 THROUGH 63-16-13, MISSISSIPPI CODE OF 1972, WHICH ARE THE PUBLIC SAFETY VERIFICATION AND ENFORCEMENT ACT; TO AMEND REENACTED SECTION 63-16-15, MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON THE ACT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 63-16-1, Mississippi Code of 1972, is reenacted as follows:

63-16-1. This chapter shall be known as the "Public Safety Verification and Enforcement Act."

SECTION 2. Section 63-16-3, Mississippi Code of 1972, is reenacted as follows:

63-16-3. (1) The Department of Public Safety, hereinafter referred to in this section as "department," in cooperation with the Commissioner of Insurance and the Department of Revenue, shall establish an accessible common carrier-based motor vehicle insurance verification system to verify the compliance of a motor vehicle with motor vehicle liability policy requirements under the Mississippi Motor Vehicle Safety-Responsibility Law.

(2) The department, in cooperation with the Department of Revenue if applicable, may contract with a private vendor or vendors to establish and maintain the system.

(3) The system must:

(a) Send requests to insurers for verification of motor vehicle liability insurance using electronic services established by the insurers through the Internet, World Wide Web, or a similar proprietary or common carrier electronic system in compliance with the specifications and standards of the Insurance Industry Committee on Motor Vehicle Administration and other applicable industry standards;

(b) Include appropriate provisions to secure its data against unauthorized access and to maintain a record of all requests and responses;

(c) Be accessible, without fee, to authorized personnel of the department, the courts, law enforcement personnel, and other entities authorized by the department under the provisions of Section 63-16-7;

(d) Be able to interface with existing department systems;

(e) Be able to be accessed by authorized users via a secure web browser;

(f) Not more often than every thirty (30) days, receive insurance information from insurers under specifications and standards set forth in paragraph (a) of this subsection or other

data file formats as approved by the department to identify motor vehicle insurance policy information; however, no insurer shall be required to provide information in a format other than those set forth by the Insurance Industry Committee on Motor Vehicle Administration "Insurance Data Transfer Guide," as amended;

(g) Provide a means by which low-volume insurers that are unable to deploy an online interface with the system can report insurance policy data to the department or their designee for inclusion in the system;

(h) Provide a means to track separately or distinguish motor vehicles that are subject to a certificate of insurance under Section 63-15-39 or 63-15-41, a certificate of self-insurance under Section 63-15-53, a bond under Section 63-15-49, or a certificate of deposit of money or securities under Section 63-15-51;

(i) Distinguish motor vehicles that are exempt from the provisions of this chapter;

(j) Be available twenty-four (24) hours a day, seven (7) days a week, subject to reasonable allowances for scheduled maintenance or temporary system failures, to verify the insurance status of any motor vehicle in a manner prescribed by the department; and

(k) Be installed and operational not later than March 1, 2016, followed by an appropriate testing period of not less than six (6) months.

(4) Every insurer shall cooperate with the department and the Insurance Department in establishing and maintaining the system and shall provide motor vehicle liability policy status and information to verify liability coverage for a motor vehicle insured by that company that is registered in this state.

SECTION 3. Section 63-16-5, Mississippi Code of 1972, is reenacted as follows:

63-16-5. (1) A law enforcement officer or authorized employee of a law enforcement agency may, during the course of a traffic stop or accident investigation, access the verification system established under Section 63-16-3 to verify whether a motor vehicle is covered by a valid motor vehicle liability policy in at least the minimum amounts required under Section 63-15-3(j).

(2) The response received from the system supersedes an insurance card produced by a motor vehicle operator, and notwithstanding the display of an insurance card by the operator, the law enforcement officer may issue a complaint and notice to appear to the operator for a violation of the Mississippi Motor Vehicle Safety-Responsibility Law. A law enforcement officer may exercise discretion in issuing a citation during the first sixty (60) days after proof of temporary insurance is issued by an insurance company, if the verification system shows that the insured's policy is expired and the operator provides proof of insurance with a new insurance company or a new insurance card.

(3) Except upon reasonable cause to believe that a driver has violated another traffic regulation or that the driver's motor vehicle is unsafe or not equipped as required by law, a law enforcement officer may not use the verification system to stop a driver for operating a motor vehicle in violation of this chapter.

SECTION 4. Section 63-16-7, Mississippi Code of 1972, is reenacted as follows:

63-16-7. (1) The Department of Public Safety, hereinafter referred to in this section as "department," shall administer and enforce the provisions of this chapter, as applicable, and shall make rules necessary for the administration of the motor vehicle insurance verification system created under Section 63-16-3.

(2) The rules must:

(a) Establish standards and procedures for accessing the system by authorized personnel of the department, the courts, law enforcement personnel and any other entities authorized by the department that are consistent with specifications and standards of the Insurance Industry Committee on Motor Vehicle Administration and other applicable industry standards;

(b) Provide for the suspension of a driver's license when required by this chapter;

(c) Prohibit the reinstatement of a driver's license unless the applicable fines have been paid; and

(d) Provide for insurance information from insurers, not more often than every thirty (30) days, to identify motor

vehicle insurance policy information; however, no insurer shall be required to provide such information in a format other than those set forth by the Insurance Industry Committee on Motor Vehicle Administration "Insurance Data Transfer Guide," as amended.

(3) The department may adopt additional rules to:

(a) Assist authorized users in interpreting responses received from the motor vehicle insurance verification system and determining the appropriate action to be taken as a result of a response; and

(b) Otherwise clarify system operations and business rules.

SECTION 5. Section 63-16-9, Mississippi Code of 1972, is reenacted as follows:

63-16-9. Every owner of a motor vehicle in this state shall comply with the motor vehicle liability insurance coverage in at least the minimum amounts required under Section 63-15-3(j) before that owner may receive a registration for a motor vehicle or renew a registration. The owner must also maintain continuous coverage in at least the minimum amounts required under Section 63-15-3(j) throughout the registration period. The verification system shall be used at registration to determine compliance with this section and the response received from the system supersedes an insurance card produced by a motor vehicle owner or operator, and notwithstanding the display of an insurance card by the owner or operator, the owner shall be denied a registration for a motor

vehicle or renewal of a registration based on the verification system's response of noncompliance. The Department of Revenue must make the verification system available to the tax collector through its title/registration network system. If the owner is applying for the initial registration of a motor vehicle, then the owner may be granted a registration notwithstanding the response received from the verification system.

SECTION 6. Section 63-16-11, Mississippi Code of 1972, is reenacted as follows:

63-16-11. (1) This chapter shall not apply to any motor vehicle that:

(a) Has commercial auto coverage;

(b) Is qualified for a fleet registration;

(c) Is part of a self-insured corporate or individual fleet registered under Section 27-19-66, or self-insured under Section 63-15-53;

(d) Is included in an insurance binder that has not been entered into the system at the time the verification system is accessed;

(e) Is exempted from the proof of insurance requirement under Section 63-15-4(1); or

(f) Has a gross vehicle weight of sixteen thousand (16,000) pounds or greater.

(2) For the purposes of this chapter, "commercial auto coverage" is defined as any coverage provided to an insured,

regardless of number of vehicles or entity covered, under a commercial coverage form and rated from a commercial manual approved by the Department of Insurance. This chapter shall not apply to vehicles insured under commercial auto coverage; however, insurers of such vehicles may participate on a voluntary basis.

SECTION 7. Section 63-16-13, Mississippi Code of 1972, is reenacted as follows:

63-16-13. (1) If the operator of a motor vehicle being operated on the public roads, streets or highways of the State of Mississippi or registered in the State of Mississippi has been found failing to have motor vehicle liability insurance in at least the minimum amounts required under Section 63-15-3(j), it is a misdemeanor and, upon conviction, is punishable by a fine of One Hundred Dollars ($100.00) and suspension of driving privilege for a period of one (1) year or until the owner of the motor vehicle shows proof of liability insurance that is in compliance with the liability limits required by Section 63-15-3(j) and has paid the fines and assessments imposed and the driver's license reinstatement fees imposed by the Department of Public Safety. A judge shall determine whether the defendant is indigent, and if a determination of indigence is made, shall authorize the reinstatement of that person's driver's license upon proof of mandatory liability insurance subject to compliance with a payment plan for any fines, assessments and/or fees. If such fines are levied in a municipal court, the funds from such fines shall be

deposited in the general fund of the municipality. If such fines are levied in any of the courts of the county, the funds from such fines shall be deposited in the general fund of the county. A person convicted of a criminal offense under this subsection (1) shall not be convicted of a criminal offense under Section 63-15-4(4) arising from the same incident.

(2) (a) There is created in the State Treasury a special fund to be designated as the "Uninsured Motorist Identification Fund." The fund shall consist of monies deposited therein as provided under subsection (1) of this section and monies from any other source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited to the credit of the fund; however, one-half (1/2) of any monies in excess of the amount needed to defray the expenses and costs of the verification system created under Section 63-16-3 remaining in the fund at the end of a fiscal year shall be transferred to a special fund created in the State Treasury for the purpose of funding a Highway Patrol Trooper School, and one-half (1/2) of any monies in excess of the amount needed to defray the expenses and costs of the verification system created under Section 63-16-3 remaining in the fund at the end of a fiscal year shall be transferred to the Mississippi Trauma Care Systems Fund created under Section 41-59-75.

(b) Monies in the Uninsured Motorist Identification Fund may be used by the Department of Public Safety, upon appropriation by the Legislature, only for the purpose of defraying expenses and costs for the motor vehicle insurance verification system created under Section 63-16-3. In addition, at any time during a fiscal year, if the Department of Public Safety determines that funds in the Law Enforcement Officers and Fire Fighters Death Benefits Trust Fund created under Section 45-2-1 are insufficient, the department may request the State Fiscal Officer to transfer funds from the Uninsured Motorist Identification Fund. The State Fiscal Officer may make an appropriate transfer if he determines that the funds in the Law Enforcement Officers and Fire Fighters Death Benefits Trust Fund are insufficient and the funds in the Uninsured Motorist Identification Fund will be sufficient for defraying the expenses and costs for the motor vehicle insurance verification system created under Section 63-16-3. Monies in the fund used for the purposes described in this paragraph (b) shall be in addition to other funds available from any other source for such purposes.

SECTION 8. Section 63-16-15, Mississippi Code of 1972, is reenacted and amended as follows:

63-16-15. Sections 63-16-1 through 63-16-13 shall stand repealed from and after July 1, *** * *** 2025.

SECTION 9. This act shall take effect and be in force from and after July 1, 2021.