

HOUSE BILL No. 2474

By Representatives Merrick and O'Neal

1-19

9 AN ACT establishing the on-line motor vehicle financial security verifi-
10 cation and compliance system; amending K.S.A. 2009 Supp. 8-173 and
11 repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 New Section 1. (a) On or before January 1, 2011, the secretary of
15 the department of revenue, in consultation with the commissioner of
16 insurance, shall develop and implement an on-line motor vehicle financial
17 security verification and compliance system for the purpose of verifying
18 compliance with the financial security requirements of K.S.A. 40-3101 et
19 seq., and amendments thereto.

20 (b) The system established must be:

21 (1) The system most likely to:

22 (A) Reduce the number of uninsured motorists in this state;

23 (B) operate reliably;

24 (C) be cost-effective;

25 (D) sufficiently protect the privacy of the motor vehicle owners;

26 (E) sufficiently safeguard the security and integrity of information
27 provided by insurance companies;

28 (F) identify and employ a method of compliance that improves public
29 convenience; and

30 (G) provide information that is accurate and current; and

31 (2) capable of being audited by an independent auditor.

32 (c) The secretary of revenue in consultation with the commissioner
33 of insurance, shall select and enter into a contract with an agent to de-
34 velop, implement, operate and maintain the system.

35 (d) The secretary of revenue is hereby authorized to adopt rules and
36 regulations necessary to carry out the provisions of this section.

37 New Sec. 2. (a) Each insurance company providing motor vehicle
38 liability insurance policies in this state shall provide the necessary infor-
39 mation for those policies, on a daily basis, to allow the agent selected
40 under section 1, and amendments thereto, to carry out the provisions of
41 section 1, and amendments thereto. The commissioner of insurance shall
42 adopt rules and regulations requiring insurance companies to comply with
43 the provisions of this subsection.

1 (b) The agent is entitled only to information that is at that time avail-
2 able from the insurance company and that is determined by the secretary
3 of revenue to be necessary to carry out the provisions of section 1, and
4 amendments thereto.

5 (c) The information obtained under this section is confidential and
6 the agent may use such information only for a purpose authorized under
7 section 1, and amendments thereto. Such information may not be used
8 for a commercial purpose. The provisions of this subsection shall expire
9 on July 1, 2015, unless the legislature reviews and reenacts this provision
10 pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2015.

11 (d) A person who knowingly uses the information obtained under this
12 section for any purpose not authorized under this section, upon convic-
13 tion, shall be guilty of a class A misdemeanor.

14 Sec. 3. On and after January 1, 2011, K.S.A. 2009 Supp. 8-173 is
15 hereby amended to read as follows: 8-173. (a) An application for regis-
16 tration of a vehicle as provided in article 1 of chapter 8 of the Kansas
17 Statutes Annotated and amendments thereto, shall not be accepted unless
18 the person making such application shall exhibit:

19 (1) A receipt showing that such person has paid all personal property
20 taxes levied against such person for the preceding year, including taxes
21 upon such vehicle, except that if such application is made before June 21
22 such receipt need show payment of only one-half the preceding year's
23 tax; or

24 (2) evidence that such vehicle was assessed for taxation purposes by
25 a state agency, or was assessed as stock in trade of a merchant or manu-
26 facturer or was exempt from taxation under the laws of this state.

27 (b) An application for registration of a vehicle as provided in article
28 1 of chapter 8 of the Kansas Statutes Annotated shall not be accepted if
29 the records of the county treasurer show that the applicant is delinquent
30 and owes personal property taxes levied against the applicant for any
31 preceding year.

32 (c) An application for registration or renewal of registration of a mo-
33 tor vehicle shall not be accepted until the applicant signs a certification,
34 provided by the director of motor vehicles, certifying that the applicant
35 has and will maintain, during the period of registration, the required in-
36 surance, self insurance or other financial security required pursuant to
37 K.S.A. 40-3104 and amendments thereto.

38 (d) An application for registration or renewal of registration of a ve-
39 hicle shall not be accepted if the applicant is unable to provide proof of
40 the insurance, self insurance or other financial security required by article
41 31 of chapter 40 of the Kansas Statutes Annotated. Proof of insurance
42 shall be verified by examination of the insurance card or other documen-
43 tation issued by an insurance company, a certificate of self insurance

1 issued by the commissioner, a binder of insurance, a certificate of insur-
2 ance, a motor carrier identification number issued by the state corpora-
3 tion commission, proof of insurance for vehicles covered under a fleet
4 policy, a commercial policy covering more than one vehicle or a policy of
5 insurance required by K.S.A. 40-3104, and amendments thereto and for
6 vehicles used as part of a drivers education program, a dealership contract
7 and a copy of a motor vehicle liability insurance policy issued to a school
8 district or accredited nonpublic school. Examination of a photocopy or
9 facsimile of any of these documents shall suffice for verification of reg-
10 istration or renewal. Proof of insurance may also be verified on-line or
11 electronically and the commissioner of insurance may require, by duly
12 adopted rules and regulations, any motor vehicle liability insurance com-
13 pany authorized to do business in this state to provide verification of
14 insurance in that manner. Any motor vehicle liability insurance company
15 which is providing verification of insurance on-line or electronically on
16 the day preceding the effective date of this act may continue to do so in
17 the same manner and shall be deemed to be in compliance with this
18 ~~section~~ *in accordance with the provisions of sections 1 and 2, and amend-*
19 *ments thereto.*

20 Sec. 4. On and after January 1, 2011, K.S.A. 2009 Supp. 8-173 is
21 hereby repealed.

22 Sec. 5. This act shall take effect and be in force from and after its
23 publication in the Kansas register.