

95TH GENERAL ASSEMBLY State of Illinois 2007 and 2008 HB4153

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.675 new	
625 ILCS 5/3-707	from Ch. 95 1/2, par. 3-707
625 ILCS 5/3-711	from Ch. 95 1/2, par. 3-711
625 ILCS 5/6-306.3	from Ch. 95 1/2, par. 6-306.3
625 ILCS 5/6-306.4	from Ch. 95 1/2, par. 6-306.4
625 ILCS 5/7-604	from Ch. 95 1/2, par. 7-604
625 ILCS 5/7-604.1 new	
625 ILCS 5/7-606	from Ch. 95 1/2, par. 7-606
625 ILCS 5/7-609	from Ch. 95 1/2, par. 7-609
625 ILCS 5/3-710 rep.	
625 ILCS 5/7-602 rep.	

Amends the Illinois Vehicle Code and the State Finance Act. Provides that the Director of the Department of State Police shall provide for creation of an automated system for verification of automobile insurance coverage. Creates the Insurance Verification Fund in the State treasury. Provides that the Director of the Department of State Police shall use the moneys in the fund to establish, implement, and maintain the system. Makes corresponding changes in the Illinois Vehicle Code. Provides that the Director shall not approve any contract for this system that requires any additional cost to the State. Repeals provisions relating to issuance of insurance cards. Effective July 1, 2008.

LRB095 13905 DRH 39878 b

FISCAL NOTE ACT MAY APPLY

STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT

- 1 AN ACT concerning transportation.
- 2 Be it enacted by the People of the State of Illinois,
- 3 represented in the General Assembly:
- 4 Section 5. The State Finance Act is amended by adding
- 5 Section 5.675 as follows:
- 6 (30 ILCS 105/5.675 new)
- 7 <u>Sec. 5.675. The Insurance Verification Fund.</u>
- 8 Section 10. The Illinois Vehicle Code is amended by
- 9 changing Sections 3-707, 3-711, 6-306.3, 6-306.4, 7-604,
- 7-606, and 7-609 and by adding Section 7-604.1 as follows:
- 11 (625 ILCS 5/3-707) (from Ch. 95 1/2, par. 3-707)
- 12 Sec. 3-707. Operation of uninsured motor vehicle penalty.
- 13 (a) No person shall operate a motor vehicle unless the
- 14 motor vehicle is covered by a liability insurance policy in
- accordance with Section 7-601 of this Code.
- 16 (b) (Blank). Any person who fails to comply with a request
- 17 by a law enforcement officer for display of evidence of
- 18 insurance, as required under Section 7-602 of this Code, shall
- 19 be deemed to be operating an uninsured motor vehicle.
- 20 (c) Any operator of a motor vehicle subject to registration
- 21 under this Code who is convicted of violating this Section is

guilty of a business offense and shall be required to pay a fine in excess of \$500, but not more than \$1,000. However, no person charged with violating this Section shall be convicted if such person produces in court satisfactory evidence that at the time of the arrest the motor vehicle was covered by a liability insurance policy in accordance with Section 7-601 of this Code. The chief judge of each circuit may designate an officer of the court to review the documentation demonstrating that at the time of arrest the motor vehicle was covered by a liability insurance policy in accordance with Section 7-601 of this Code. The documentation reviewed may include a printed status report and confirmation code produced by the Illinois Automated Motor Vehicle Insurance Verification System developed using the Insurance Verification Fund.

- (c-1) A person convicted of violating this Section shall also have his or her driver's license, permit, or privileges suspended for 3 months. After the expiration of the 3 months, the person's driver's license, permit, or privileges shall not be reinstated until he or she has paid a reinstatement fee of \$100. If a person violates this Section while his or her driver's license, permit, or privileges are suspended under this subsection (c-1), his or her driver's license, permit, or privileges shall be suspended for an additional 6 months and until he or she pays the reinstatement fee.
- (d) A person convicted a third or subsequent time of violating this Section or a similar provision of a local

- 1 ordinance must give proof to the Secretary of State of the
- 2 person's financial responsibility as defined in Section 7-315.
- 3 The person must maintain the proof in a manner satisfactory to
- 4 the Secretary for a minimum period of one year after the date
- 5 the proof is first filed. The Secretary must suspend the
- 6 driver's license of any person determined by the Secretary not
- 7 to have provided adequate proof of financial responsibility as
- 8 required by this subsection.
- 9 (Source: P.A. 94-1035, eff. 7-1-07.)
- 10 (625 ILCS 5/3-711) (from Ch. 95 1/2, par. 3-711)
- 11 Sec. 3-711. Whenever a court convicts a person of a
- violation of Section 3-707 or, 3-708 or 3-710 of this Code, or
- 13 enters an order placing on supervision the person charged with
- 14 the violation, the clerk of the court within 10 days shall
- 15 forward a report of the conviction or order of supervision to
- 16 the Secretary of State in a form prescribed by the Secretary.
- 17 In any case where the person charged with the violation fails
- to appear in court, the procedures provided in Section 6-306.3
- or 6-306.4 of this Code, whichever is applicable shall apply.
- The Secretary shall keep records of such reports. However,
- 21 reports of orders of supervision shall not be released to any
- outside source, except the affected driver and law enforcement
- 23 agencies, and shall be used only to inform the Secretary and
- 24 the courts that such driver previously has been assigned court
- 25 supervision.

- 1 (Source: P.A. 86-149.)
- 2 (625 ILCS 5/6-306.3) (from Ch. 95 1/2, par. 6-306.3)
- 3 Sec. 6-306.3. License as bail.
- 4 (a) Except as provided in Section 6-306.4 of this Code, any
- 5 person arrested and charged with violation of Section 3-701 $\underline{\text{or}}_{7}$
- 6 3-707, or 3 710, or of any violation of Chapters 11 or 12 of
- 7 this Code, except the provisions of Sections 3-708, 11-401,
- 8 11-501, 11-503, 11-504, or 11-506 of this Code shall have the
- 9 option of depositing his valid driver's license issued under
- 10 this Code with the officer demanding bail in lieu of any other
- 11 security for his appearance in court in answer to any such
- 12 charge.
- 13 (b) However, a uniform bail schedule and regulations
- 14 adopted pursuant to Supreme Court Rule or Order may require
- 15 that a driver's license issued under this Code must be
- deposited, in addition to appropriate cash deposit, where
- 17 persons arrested and charged with violating Sections 3-708,
- 18 11-401, 11-501, 11-503, 11-504, or 11-506 of this Code elect to
- 19 take advantage of the uniform schedule establishing the amount
- of bail in such cases.
- 21 (c) When a license is deposited as security in lieu of or
- in addition to bail, the judge, court clerk, or other official
- 23 accepting such deposit shall issue to the licensee a receipt
- 24 for such license upon a form approved or provided by the
- 25 Secretary of State.

(d) If the licensee whose license has been deposited as security for bail does not appear in court in compliance with the time and place for hearing as notified in such receipt, or the continued date thereof, if any has been ordered by the court, the court shall continue the case for a minimum of 30 days and require a notice of the continued court date be sent to the licensee at his last known address. The clerk of such court shall notify the licensee of the court's order. If the licensee does not appear in and surrender on the continued court date, or within such period, satisfy the court that his appearance in and surrender to the court is impossible and without any fault on his part, the court shall enter an order of failure to appear to answer such charge after depositing license in lieu of bail. The clerk of such court shall notify the Secretary of State of the court's order.

The Secretary of State, when notified by the clerk of such court that an order of failure to appear to answer such charge after depositing license in lieu of bail has been entered, shall immediately suspend the driver's license of such licensee without a hearing and shall not remove such suspension, nor issue any hardship license or privilege to such licensee thereafter until notified by such court that the licensee has appeared and answered the charges placed against him.

(e) 1. Any Illinois resident who has executed a written promise to comply with Section 6-306.2 of this Code, in effect until July 28, 1986, shall continue to be suspended until he or

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- she complies with the terms and conditions of the written promise.
 - 2. The Secretary of State, when notified by the clerk of such court that an order of failure to appear to answer a charge after promising to appear has been entered, shall immediately suspend the driver's license of such licensee without a hearing and shall not remove such suspension, nor issue a hardship license or privilege to such licensee thereafter until notified by such court that the licensee has appeared and answered the charges placed against him.
- 11 (Source: P.A. 95-310, eff. 1-1-08.)
- 12 (625 ILCS 5/6-306.4) (from Ch. 95 1/2, par. 6-306.4)
- Sec. 6-306.4. Procedures for residents of other states.
- 14 (a) Except as provided in paragraph (b) of this Section, 15 any resident of another state which is a member of the Nonresident Violator Compact of 1977, who is cited by a police 16 officer for violating a traffic law or ordinance, shall have 17 18 the option of (1) being taken without unnecessary delay before a court of jurisdiction or (2) executing a written promise to 19 comply with the terms of the citation by signing at least one 20 21 copy of a Uniform Traffic Ticket prepared by the police 22 officer. The police officer may refuse to permit a nonresident violator to execute a written promise to comply with the terms 23 24 of the citation if the nonresident violator cannot furnish satisfactory evidence of identity or if the officer has 25

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probable cause to believe the nonresident violator cited will disregard the written promise to comply with the citation.

If the person cited is a resident of another State which is not a member of the Nonresident Violator Compact of 1977, then the rules established by the Supreme Court for bail bond and appearance procedures apply.

- (b) Any person cited for violating the following provisions of this Code or a similar provision of local ordinances shall be governed by the bail provisions of the Illinois Supreme Court Rules when it is not practical or feasible to take the person before a judge to have bail set or to avoid undue delay because of the hour or circumstances: Section 3-101, Section 3-702, Sections 3-707 or, 3-708 or 3-710, Chapter 4, Chapter 5, Section 6-101, Section 6-104, Section 6-113, Section 6-301, Section 6-303, Section 8-115, Section 11-204, Section 11-310, Section 11-311, Section 11-312, Section 11-401, Section 11-402, Section 11-403, Section 11-404, Section 11-409, Section 11-501, Section 11-503, Section 11-504, Section 11-506, Section 11-601, when more than 30 m.p.h. over the posted limit, Section 11-1006, Section 11-1414, Section Section 15-103, Section 15-107, Section 15-111, 15-102, paragraph (f) of Section 15-112 or paragraph (j) of Section 15 - 301.
- (c) If the person fails to comply with the executed written promise to comply with the original terms of the citation as indicated in paragraph (a) of this Section, the court shall

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- continue the case for a minimum of 30 days and require that a notice of the continued court date be sent to the last known address of such person. If the person does not appear or otherwise satisfy the court on or before the continued court date, the court shall enter an order of failure to appear to answer such charge. The clerk of such court shall notify the Secretary of State of the court's order within 21 days.
- 8 (d) Upon receiving such notice, the Secretary of State 9 shall comply with the provisions of Section 6-803 of this Code. 10 (Source: P.A. 95-310, eff. 1-1-08.)
- 11 (625 ILCS 5/7-604) (from Ch. 95 1/2, par. 7-604)
- 12 Sec. 7-604. Verification of liability insurance policy.
 - (a) The Secretary of State may select random samples of registrations of motor vehicles subject to Section 7-601 of this Code, or owners thereof, for the purpose of verifying whether or not the motor vehicles are insured. These random sample reports shall be provided automatically by entering desired parameters into the Illinois Automated Insurance Verification System, which shall then randomly select files based on those selected parameters and provide results both electronically and, if desired, in printed form.

In addition to such general random samples of motor vehicle registrations, the Secretary may select for verification other random samples, including, but not limited to registrations of motor vehicles owned by persons:

- (1) whose motor vehicle registrations during the preceding 4 years have been suspended pursuant to Section 7-606 or 7-607 of this Code;
- (2) who during the preceding 4 years have been convicted of violating Section 3-707 or_{τ} 3-708 or_{τ} 3-708 of this Code while operating vehicles owned by other persons;
- (3) whose driving privileges have been suspended during the preceding 4 years;
- (4) who during the preceding 4 years acquired ownership of motor vehicles while the registrations of such vehicles under the previous owners were suspended pursuant to Section 7-606 or 7-607 of this Code; or
- (5) who during the preceding 4 years have received a disposition of supervision under subsection (c) of Section 5-6-1 of the Unified Code of Corrections for a violation of Section 3-707 or_{7} 3-708, or 3-710 of this Code.
- (b) Upon receiving certification from the Department of Transportation under Section 7-201.2 of this Code of the name of an owner or operator of any motor vehicle involved in an accident, the Secretary may verify whether or not at the time of the accident such motor vehicle was covered by a liability insurance policy in accordance with Section 7-601 of this Code.

 The Secretary may, for the same purpose, use the Illinois Automated Insurance Verification System without the need for

use of personal details or certification from the Department of

Transportation.

- (c) In preparation for selection of random samples and their verification, the Secretary may send to owners of randomly selected motor vehicle owners, requests for information about their motor vehicles and liability insurance coverage. The request shall require the owner to state whether or not the motor vehicle was insured on the verification date stated in the Secretary's request and the request may require, but is not limited to, a statement by the owner of the names and addresses of insurers, policy numbers, and expiration dates of insurance coverage.
- (d) Within 30 days after the Secretary mails a request, the owner to whom it is sent shall furnish the requested information to the Secretary above the owner's signed affirmation that such information is true and correct. Proof of insurance in effect on the verification date, as prescribed by the Secretary, may be considered by the Secretary to be a satisfactory response to the request for information.

Any owner whose response indicates that his or her vehicle was not covered by a liability insurance policy in accordance with Section 7-601 of this Code shall be deemed to have registered or maintained registration of a motor vehicle in violation of that Section. Any owner who fails to respond to such a request shall be deemed to have registered or maintained registration of a motor vehicle in violation of Section 7-601 of this Code.

(e) If the owner responds to the request for information by

- asserting that his or her vehicle was covered by a liability 1 2 insurance policy on the verification date stated in the 3 Secretary's request, the Secretary may conduct a verification of the response by furnishing necessary information to the 4 5 insurer named in the response. The insurer shall within 45 days 6 inform the Secretary whether or not on the verification date 7 stated the motor vehicle was insured by the insurer in accordance with Section 7-601 of this Code. The Secretary may 8 9 by rule and regulation prescribe the procedures 10 verification.
- (f) No random sample selected under this Section shall be categorized on the basis of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental disability, economic status or geography.
- 15 (Source: P.A. 92-458, eff. 8-22-01.)
- 16 (625 ILCS 5/7-604.1 new)
- Sec. 7-604.1. Automated verification of insurance.
- 18 (a) As used in this Section:
- 19 <u>(1) "NLETS" means the national law enforcement</u> 20 telecommunications system.
- 21 (2) "Unparsed data" means data that are not 22 electronically sorted by jurisdiction.
- 23 <u>(b) The Director of the Department of State Police shall</u>
 24 <u>establish and implement and maintain an NLETS-authorized</u>
 25 paperless verification system for <u>motor vehicle insurance</u>

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1	coverage. The paperless verification system shall be designed
2	with the goal of identifying motor vehicles that are being
3	operated on highways in this State without the required
4	insurance coverage and shall have all of the following
5	<pre>characteristics:</pre>
6	(1) Provide quick, accurate, and current access to
7	motor vehicle insurance coverage information for persons
8	and agencies charged with enforcement of motor vehicle
9	insurance requirements, including, but not limited to, all
10	of the following processes:
11	(A) the daily gathering of unparsed data
12	concerning motor vehicle insurance coverage by
13	insurance companies providing motor vehicle insurance
14	<pre>coverage in this State;</pre>
15	(B) the daily transmittal of data concerning motor
16	vehicle insurance coverage from companies described in
17	subparagraph (A) to the Director of the Department of
18	State Police and that is commonly accommodated by
19	insurers for other jurisdictions, such data to be
20	electronically transmitted; and
21	(C) the transmittal of data elements required to
22	confirm active insurance status for registration from
23	the data elements described in subparagraph (B) to the
24	Director of the Department of State Police, this data

to consist of a transmission of existing data, within

60 days of the effective date of this amendatory Act of

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1	the 95th General Assembly, and daily transmissions, as
2	described in subparagraph (B), immediately afterwards.
3	(2) Protect the privacy of motor vehicle owners by
4	ensuring that names or addresses cannot be maintained or
5	used to obtain access to insurance status, except as
6	otherwise required to comply with Section 7-601 and this
7	Section.
8	(3) Protect the security and integrity of information
9	gathered and transmitted by insurers under paragraph (1) by
10	meeting all security standards of the State's NLETS system.
11	(4) Allow the Director of the Department of State
12	Police to automatically create and mail a citation for a
13	violation of Section 7-601 to the owner of a motor vehicle
14	in other states, foreign countries, or foreign provinces by
15	means of the NLETS connection to national law enforcement
16	data.
17	(c) The Director of the Department of State Police shall
18	accept as proof of vehicle insurance an automated verification
19	that a motor vehicle is insured obtained through the
20	NLETS-authorized paperless verification system for motor
21	vehicle insurance coverage under this Section. An insurer shall
22	provide the unparsed data required by the Director of the
23	Department of State Police under this Section.
24	(d) A police officer or other authorized individual who

seeks to verify that a motor vehicle is insured shall access

the motor vehicle insurance verification system developed

1 <u>under this Section. The motor vehicle insurance verification</u>

2 <u>system developed under this Section shall automatically</u>

provide an automated verification of each query to indicate

whether or not motor vehicle insurance is in effect at the time

the query is made.

- (e) The Insurance Verification Fund is created as a special fund in the State treasury. The State Treasurer may receive money or other assets from any source for deposit into the fund. The Director of the Department of State Police shall administer the fund and shall, subject to appropriation, use the moneys in the fund only to establish, implement, and maintain the paperless verification system described in this Section.
- (f) Funds expended for all services to establish, implement, and maintain this paperless verification system described are expected to equal 15% of demonstrable additional income generated to Illinois government entities by the system and for any related services. The Director of State Police may not approve any contract for this system, or for any related service or element, that requires any additional cost to the State.
 - (g) The Secretary of State shall be provided full and unlimited on-line access to the automated insurance verification system established and maintained by the Director of the Department of State Police.

1 (625 ILCS 5/7-606) (from Ch. 95 1/2, par. 7-606)

Sec. 7-606. Uninsured motor vehicles - suspension and reinstatement. The Secretary shall suspend the vehicle registration of any motor vehicle determined by the Secretary to be in violation of Section 7-601 of this Code, including any motor vehicle operated in violation of Section 3-707 or, 3-708 or 3-710 of this Code by an operator other than the owner of the vehicle. Neither the fact that, subsequent to the date of verification or conviction, the owner acquired the required liability insurance policy nor the fact that the owner terminated ownership of the motor vehicle shall have any bearing upon the Secretary's decision to suspend.

The Secretary is authorized to suspend the registration of any motor vehicle registered in this State upon receiving notice of the conviction of the operator of the motor vehicle in another State of an offense which, if committed in this State, would constitute a violation of Section 7-601 of this Code.

Until it is terminated, the suspension shall remain in force after the registration is renewed or a new registration is acquired for the motor vehicle. The suspension also shall apply to any motor vehicle to which the owner transfers the registration.

In the case of a first violation, the Secretary shall terminate the suspension upon payment by the owner of a reinstatement fee of \$100 and submission of proof of insurance

- 1 as prescribed by the Secretary.
- 2 In the case of a second or subsequent violation by a person
- having ownership interest in a motor vehicle or vehicles within 3
- the preceding 4 years, or a violation of Section 3-708 of this 4
- 5 Code, the Secretary shall terminate the suspension 4 months
- after its effective date upon payment by the owner of a 6
- 7 reinstatement fee of \$100 and submission of proof of insurance
- 8 as prescribed by the Secretary.
- 9 All fees collected under this Section shall be deposited
- 10 into the Road Fund of the State treasury.
- 11 (Source: P.A. 88-315.)
- 12 (625 ILCS 5/7-609) (from Ch. 95 1/2, par. 7-609)
- Sec. 7-609. Exemption for certain religious organizations. 1.3
- 14 (a) Pursuant to the following minimum criteria, the Secretary
- 15 may exempt from the provisions of Section 7-601 of this Code
- 16 motor vehicles owned by a religious organization or its
- members: 17
- 18 (1) The religious organization and its members hold a bona
- 19 fide conviction that the acquisition of insurance is contrary
- to their religious beliefs. 20
- 21 (2) The religious organization and its members submit to
- 22 the Secretary evidence that historically, over a period of time
- 23 not less than two years, they have paid or, by agreement with
- the other party or parties involved, are paying in a timely 24
- 25 manner for all damages for which they were or are liable.

- (3) The religious organization has filed with the Secretary a current, irrevocable letter of credit, valid for a period of 12 months and issued in accordance with this Section and Article 5 of the Uniform Commercial Code, approved July 31, 1961, as amended, by a financial institution chartered by an agency of State or federal government. The Secretary of State by rule and regulation shall establish the minimum amount of credit required.
- (4) The religious organization and its members meet other requirement which the Secretary by rule and regulation may prescribe.
 - (b) Upon accepting a letter of credit from a religious organization, the Secretary shall issue a certificate of exemption for each motor vehicle covered. The certificate of exemption shall serve as evidence of insurance in accordance with Section 7 602 of this Code.
 - Not less than 30 days before a current letter of credit expires, or by agreement between the issuer and customer is revoked, the religious organization shall file with the Secretary a new letter of credit. If a new letter of credit is not on file with the Secretary at the time the current letter of credit expires or is revoked, the exemption of the religious organization and its members shall expire and their certificates of exemption shall become invalid.
 - (c) If credit is used to the extent that the remaining amount of credit does not meet the minimum requirements of this

Section, and the issuer declines to reinstate the used portion of the credit or issue a new letter of credit, the issuer immediately shall send written notice to the customer and the Secretary that the current letter of credit on file with the Secretary no longer meets the minimum requirements of the law.

If, within 30 days of receiving the notice, the Secretary has not received and accepted a new letter of credit from the customer, the exemption of that religious organization and its members shall expire and their certificates of exemption shall become invalid.

(d) Upon the request of the plaintiff, if a person, known by the court to be covered by a current letter of credit issued pursuant to this Section fails to pay a judgment for damages within 30 days after the judgment has become final, the clerk of the court within 10 days shall forward to the Secretary a report of the person's failure to pay. The report shall indicate that the person is covered by a letter of credit and, if known by the court, the names of the issuer and the customer.

Upon receiving the report from the court, the Secretary shall notify the religious organization that, unless the payment is made, 30 days after the date of the mailing of the notice the exemption of the religious organization and its members shall be terminated and their certificates of exemption shall become invalid. If within the 30 days the religious organization does not submit evidence that the payment has been

- 1 made, or furnish valid reasons why the payment has been delayed
- or not made, the Secretary shall terminate the exemptions.
- 3 (e) The Secretary is authorized to promulgate rules and
- 4 regulations necessary for the administration of the provisions
- 5 of this Section.
- 6 (Source: P.A. 86-149.)
- 7 (625 ILCS 5/3-710 rep.)
- 8 (625 ILCS 5/7-602 rep.)
- 9 Section 15. The Illinois Vehicle Code is amended by
- repealing Sections 3-710 and 7-602.
- 11 Section 99. Effective date. This Act takes effect July 1,
- 2008.