

CHAPTER 39

(HB 390)

AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 186A.040 is amended to read as follows:

(1) *As used in this section, unless the context requires otherwise:*

- (a) *"Accessible online insurance verification system" or "system" means the accessible online insurance verification system established by the department under this section;*
- (b) *"Commercial motor vehicle" means a motor vehicle that is covered by commercial motor vehicle insurance;*
- (c) *"Commercial motor vehicle insurance" means coverage:*
 - 1. *Provided to an insured, regardless of the number of vehicles or entities covered, under a commercial coverage form; and*
 - 2. *Rated from a commercial manual approved by the Department of Insurance;*
- (d) *"Department" means the Department of Vehicle Regulation;*
- (e) *"IICMVA" means the Insurance Industry Committee on Motor Vehicle Administration or a successor organization;*
- (f) *"Insurer" means an insurer that provides coverage for the security required under KRS 304.39-080;*
- (g) *"Personal motor vehicle" means a motor vehicle that is not covered by commercial motor vehicle insurance; and*
- (h) *"Requestor" means the authorized personnel of any of the following:*
 - 1. *The department;*
 - 2. *Any District or Circuit Court of this state;*
 - 3. *Any county attorney or Commonwealth's attorney of this state;*
 - 4. *Any county clerk of this state;*
 - 5. *Any law enforcement agency of this state; or*
 - 6. *Any other entities authorized by the department, to the extent permitted by state and federal privacy laws.*

(2) (a) The department~~[of Vehicle Regulation]~~ shall:

- 1. Provide and receive information on the insurance status of *motor* vehicles registered in~~[the Commonwealth of] Kentucky~~ *in accordance with this section and*~~[pursuant to] KRS 304.39-087 and 304.39-085;~~~~[The department shall provide appropriate insurance information to the Commonwealth Office of Technology for inclusion in the AVIS database to assist in identifying uninsured motor vehicles]~~
- 2. *Establish an accessible online insurance verification system that:*
 - a. *Is used for verification of whether motor vehicles are covered by the security required under KRS 304.39-080;*
 - b. *Is interfaced with AVIS;*
 - c. *Beginning not later than October 1, 2026, is:*
 - i. *Operational; and*
 - ii. *Available to insurers;*

- d. *Beginning not later than January 1, 2027, is accessible by requestors to assist the requestors in the identification of motor vehicles that are not in compliance with KRS 304.39-080; and*
- e. *Includes information that enables the department to make inquiries to insurers by using multiple data elements for greater matching accuracy;*
- 3. *On or before January 1, 2026, promulgate an emergency and ordinary administrative regulation in accordance with KRS Chapter 13A to establish, implement, and effectuate the accessible online insurance verification system, which:*
 - a. *Shall:*
 - i. *Except as otherwise provided in this section, establish guidelines and requirements for the system that are consistent with IICMVA guidelines;*
 - ii. *Include appropriate provisions to secure the system's data against unauthorized access;*
 - iii. *Specify, in accordance with subsection (3) of this section, the information that insurers shall electronically submit, and the format, manner, and frequency of the electronic submissions, to the system for personal motor vehicles and commercial motor vehicles; and*
 - iv. *Establish a period of not less than six (6) months but not more than twelve (12) months from the date of all requests and responses that system data shall be retained; and*
 - b. *May establish an alternative method of reporting, in lieu of reporting to the system, for insurers who write one thousand (1,000) or fewer policies or contracts that provide coverage for the security required under KRS 304.39-080; and*
- 4. *Make any amendments to the administrative regulation promulgated under this section or any other administrative regulation related to the system that are necessary to establish, implement, operate, or maintain the accessible online insurance verification system, which shall include any necessary improvements to or replacement of the system.*
- (b) *The department may contract with a private service provider who has successfully implemented similar systems in other states to assist in establishing, implementing, operating, and maintaining the accessible online insurance verification system.*
- (c) 1. *Notwithstanding KRS 13A.100, the department shall:*
 - a. *By January 1, 2026, publish on its website and distribute to motor vehicle insurers authorized to do business in Kentucky a final detailed guide of the accessible online insurance verification system;*
 - b. *Periodically review, make any necessary updates to, and publish on its website any updates to the guide referenced in this subparagraph; and*
 - c. *Distribute any updates made to the guide referenced in this subparagraph to motor vehicle insurers authorized to do business in Kentucky.*
- 2. *The guide referenced in subparagraph 1. of this paragraph shall not conflict with, or impose requirements that are not set out or incorporated by reference in, an administrative regulation promulgated by the department under this section.*
- 3. *The Department of Insurance shall assist the department in making the distributions required under this paragraph.*
- (d) *The department and any contracted private service provider shall each maintain a contact person for insurers during the implementation and operation of the accessible online insurance verification system.*
- (3)(2) (a) *Except as otherwise provided in this section, insurers that provide coverage for the security required under KRS 304.39-080 for personal motor vehicles shall:*

1. *Cooperate with the department in the implementation, operation, maintenance, and any necessary improvements to or replacement of the accessible online insurance verification system; and*
 2. *On and after January 1, 2027:*
 - a. *Send to the department:*
 - i. *A list of the vehicle identification numbers (VINs) of the personal motor vehicles that are covered by the insurer; and*
 - ii. *The name of each policyholder for each personal motor vehicle covered by the insurer as specified by the department;*
 - b. *Provide access to any other insurance status information for personal motor vehicles that are covered by the insurer as specified by the department; and*
 - c. *Submit the information required under this subparagraph electronically to the department through the accessible online insurance verification system.*
- (b) 1. *In lieu of compliance with Section 9 of this Act, an insurer may opt to submit insurance status information for commercial motor vehicles electronically to the department through the accessible online insurance verification system.*
2. *An insurer that opts to submit insurance status information under this paragraph shall comply with any specifications and requirements established by the department under subsection (2)(a)3.a.iii. of this section for the information.*
- (c) *Insurers may contract for the services of a third-party vendor to facilitate or otherwise comply with the requirements of this section.*
- (d) *Insurers shall not be subject to civil or administrative liability for libel, slander, or any other relevant tort, and no civil cause of action of any nature shall arise against an insurer or an authorized employee of an insurer for any good-faith efforts to comply with this section, including but not limited to submitting, or providing access to, any information or data required or permitted under this section, even if the information or data is inaccurate or incomplete.*
- (4) (a) *As used in this subsection, "domestic" insurer and "foreign" insurer have the same meanings as in KRS 304.1-070.*
- (b) *There is created a technical advisory committee whose duties shall be to:*
1. *Review the establishment, implementation, operation, and maintenance of the accessible online insurance verification system; and*
 2. *Make recommendations to the department to ensure that the accessible online insurance verification system is:*
 - a. *Efficient and operational upon implementation; and*
 - b. *Consistent with the objectives and requirements of this section.*
- (c) *The technical advisory committee shall be composed of the following seven (7) members:*
1. *Four (4) voting members appointed by the commissioner of the Department of Insurance in accordance with paragraph (d) of this subsection;*
 2. *The president of the Kentucky County Clerk's Association or the president's designee, who shall serve as a voting ex officio member;*
 3. *The commissioner of the Department of Insurance or the commissioner's designee, who shall serve as a voting ex officio member; and*
 4. *The commissioner of the department or the commissioner's designee, who shall serve as a nonvoting ex officio member and as chair of the committee.*
- (d) 1. *The commissioner of the Department of Insurance shall, in accordance with this paragraph, appoint to the technical advisory committee one (1) representative for each of the four (4) insurers:*

- a. *Identified by the Department of Insurance under this paragraph; and*
 - b. *That designate, upon request and within a reasonable amount of time, an individual to serve as a representative on the committee.*
 2. *The Department of Insurance shall identify the following four (4) insurers:*
 - a. *The domestic property and casualty insurer that has the largest dollar amount of direct written premiums for motor vehicle insurance in Kentucky as of the date of the notification made under subparagraph 4. of this paragraph;*
 - b. *The two (2) foreign property and casualty insurers that have the largest dollar amounts of direct written premiums for motor vehicle insurance in Kentucky as of the date of the notification made under subparagraph 4. of this paragraph; and*
 - c. *A domestic or foreign property and casualty insurer with direct written premiums for motor vehicle insurance in Kentucky designated by the commissioner of the Department of Insurance to represent small and medium-sized insurers in Kentucky's motor vehicle insurance market.*
 3. *If an insurer identified by the Department of Insurance under subparagraph 2. of this paragraph declines or fails, within a reasonable amount of time, to designate an individual to serve as a representative of the insurer on the technical advisory committee, the Department of Insurance shall identify:*
 - a. *For an insurer identified under subparagraph 2.a. of this paragraph, the domestic property and casualty insurer with the next largest dollar amount of direct written premiums for motor vehicle insurance in Kentucky as of the date that the previously identified domestic property and casualty insurer declined or failed to designate a representative;*
 - b. *For an insurer identified under subparagraph 2.b. of this paragraph, the foreign property and casualty insurer with the next largest dollar amount of direct written premiums for motor vehicle insurance in Kentucky as of the date that the previously identified foreign property and casualty insurer declined or failed to designate a representative; and*
 - c. *For an insurer identified under subparagraph 2.c. of this paragraph, an insurer that meets the requirements of that subdivision.*
 4. *The Department of Insurance shall:*
 - a. *Request each insurer identified by the Department of Insurance under subparagraph 2. of this paragraph, and if applicable, subparagraph 3. of this paragraph, to designate an individual to serve as a representative of the insurer on the technical advisory committee; and*
 - b. *Appoint the individual designated by the insurer notified under this subparagraph to the technical advisory committee.*
 5. *Each member appointed under this paragraph shall serve a four (4) year term and may be reappointed.*
 6. *Vacancies of members appointed under this paragraph shall be filled:*
 - a. *Within thirty (30) days of the vacancy; and*
 - b. *In the same manner as the original appointment.*
- (e) *Prior to making a filing under KRS Chapter 13A or publishing and distributing, as applicable, the department shall submit drafts of the following to the technical advisory committee for review and recommendations:*
1. *Any new, amended, or repealer emergency or ordinary administrative regulation, along with any forms required under KRS 13A.230, required or permitted under this section or otherwise related to the system; and*

2. *The final detailed guide, including any updates to the final detailed guide, required under subsection (2)(c) of this section.*
- (f) *In addition to the requirements of paragraph (e) of this subsection, the department shall keep the technical advisory committee informed about, and consult with the committee regarding, the establishment, implementation, operation, and maintenance of the accessible online insurance verification system.*
- (g) *All meetings of, and communications to and from, the technical advisory committee shall be exempt from the requirements of the Open Meetings Act, KRS 61.805 to 61.850.*
- (5) (a) *The department shall immediately make a notification to a motor vehicle owner upon any of the following:*
 1. Notification to the department~~[of Vehicle Regulation]~~ from an *insurer*~~[insurance company]~~ of cancellation or nonrenewal of *the owner's commercial motor vehicle insurance*~~[a policy]~~ pursuant to KRS 304.39-085;~~[or]~~
 2. *Prior to January 1, 2027*~~[on and after January 1, 2006]~~, if the vehicle identification number (VIN) of *the owner's*~~[a]~~ personal motor vehicle, *as defined in subsection (1)(a) of Section 10 of this Act*, does not appear in the database created by KRS 304.39-087 for two (2) consecutive reporting months; *or*
 3. *On and after January 1, 2027, if the vehicle identification number (VIN) of the owner's personal motor vehicle, or commercial motor vehicle if the commercial motor vehicle is covered by an insurer that has opted to report to the system, does not appear in the accessible online insurance verification system for seven (7) consecutive days*~~[the department shall immediately make a determination as to the notification of the insured].~~
- (b) *The notification required under paragraph (a) of this subsection shall:*
 1. *Be in either a paper or an electronic format;*
 2. *Specify each motor vehicle to which the notification pertains; and*
 3. ~~[to the insured shall]~~State that:
 - a. *The owner's insurance*~~[insured's policy]~~ is no longer valid; and~~[that]~~
 - b. *The department shall revoke the registration of each motor vehicle to which the notification pertains unless one (1) of the following occurs within fourteen (14)*~~[insured shall have thirty (30)]~~ *days after the date the insurance became invalid:*~~[to]~~
 - i. *The owner provides*~~[Show]~~ *proof of insurance to the county clerk or the department; or*
 - ii. *The accessible online insurance verification system indicates that the motor vehicle or motor vehicles are covered by the security required under KRS 304.39-080.*~~[The department shall further inform the insured that if evidence of insurance is not received within thirty (30) days the department shall revoke the registration of the motor vehicle until:~~
 1. ~~The person presents proof of insurance to the county clerk and pays the reinstatement fee required by KRS 186.180;~~
 2. ~~The person presents proof in the form of an affidavit stating, under penalty of perjury as set forth in KRS 523.030, that the failure to maintain motor vehicle insurance on the vehicle specified in the department's notification is the result of the inoperable condition of the motor vehicle;~~
 3. ~~The person presents proof in the form of an affidavit stating, under penalty of perjury as set forth in KRS 523.030, that the failure to maintain motor vehicle insurance on the vehicle specified in the department's notification is the result of the seasonal nature of the vehicle. The affidavit shall explain that when the vehicle is out of dormancy and when the seasonal use of the vehicle is resumed, the proper security will be obtained; or~~
 4. ~~The person presents proof in the form of an affidavit stating, under penalty of perjury as set forth in KRS 523.030, that he or she requires a registered motor vehicle in order to carry out his or her~~

employment and that the motor vehicle that he or she drives during the course of his or her employment meets the security requirement of Subtitle 39 of KRS Chapter 304. The person shall also declare in the affidavit that he or she will operate a motor vehicle only in the course of his or her employment. If a person has his or her motor vehicle registration revoked in accordance with this subsection three (3) times within any twelve (12) month period, the revocations shall constitute a violation of KRS 304.39-080. The department shall notify the county attorney to begin prosecution for violation of subtitle 39 of KRS Chapter 304.

- (b) ~~The Department of Vehicle Regulation shall be responsible for notification to the appropriate county attorney that a motor vehicle is not properly insured, if the insured does not respond to notification set out by paragraph (a) of this subsection. The notice that the department gives to the county attorney in accordance with paragraph (a) of this subsection shall include a certified copy of the person's driving record which shall include:~~

1. ~~The notice that the department received from an insurance company that a person's motor vehicle insurance policy has been canceled or has not been renewed; and~~
2. ~~A dated notice that the department sent to the person requiring the person to present proof of insurance to the county clerk.~~

~~Upon notification by the department, a county attorney shall immediately begin prosecution of the person who had his or her motor vehicle registration revoked three (3) times within any twelve (12) month period in accordance with paragraph (a) of this subsection.]~~

- (c) *An owner may present the proof of insurance required under this subsection in either a paper or an electronic format*~~[The certified copies sent by the department described in paragraph (b) of this subsection, shall be prima facie evidence of a violation of KRS 304.39-080].~~

- (d) *When proof of insurance is provided in electronic format, the department or county clerk may require the owner to email or otherwise electronically submit the proof of insurance for the department's or clerk's records*~~[If the insured provides proof of insurance to the clerk within the thirty (30) day notification period, the department shall ensure action is taken to denote a valid insurance policy is in force].~~

- (6)(3) (a) In developing the mechanism to electronically transfer information pursuant to *this section and KRS 304.39-087 and 304.39-085*, the commissioner of the department~~[of Vehicle Regulation]~~ shall:

1. Consult with the commissioner of the Department of Insurance and insurers of~~[personal]~~ motor vehicles to adopt a standardized system of organizing, recording, and transferring the information so as to minimize insurer administrative expenses; ~~and~~~~[. The commissioner of vehicle regulation shall]~~
2. To the maximum extent possible, utilize nationally recognized electronic data information systems *consistent with the requirements of this section*~~[such as those developed by the American National Standards Institute or the American Association of Motor Vehicle Administrators].~~

- (b) Notwithstanding any other provision of law:~~[,]~~

1. Information obtained by the department pursuant to *this section and KRS 304.39-087* shall not be:

- a. Subject to the Kentucky Open Records Act, KRS ~~61.870~~~~[61.872]~~ to 61.884; ~~or~~~~[, and shall not be]~~
- b. Disclosed, used, sold, accessed, *or* utilized in any manner, or released by the department to any *individual, entity*~~[person, corporation]~~, or state ~~or~~~~[and]~~ local agency, except:
 - i. *In accordance with state law for the purposes specified by this section; or*
 - ii. In response to a specific individual request for the information authorized pursuant to the federal Driver's Privacy Protection Act, 18 U.S.C. ~~sec.~~~~[sees.]~~ 2721 et seq.;

2. The department shall institute measures to ensure that only authorized persons are permitted to access the information *referenced in this paragraph* for the purposes specified by this section; ~~and~~~~[,]~~

3. Persons who knowingly release or disclose information~~[from the database created by KRS 304.39-087]~~ for a purpose other than those~~[described as]~~ authorized by this *paragraph*~~[section]~~ or to a person not entitled to receive it shall be guilty of a Class A misdemeanor for each release or disclosure.

- (7) *The Commonwealth Office of Technology and the Department of Insurance shall provide support and assistance to the department in carrying out the provisions of this section.*

➔Section 2. KRS 186A.042 is amended to read as follows:

- (1) *As used in this section, the following have the same meaning as in Section 1 of this Act:*

- (a) *"Accessible online insurance verification system"; and*
- (b) *"Personal motor vehicle."*

- (2) ~~[On and after January 1, 2006,]~~A county clerk shall not process an application for, nor issue, a:

- (a) Kentucky title and registration or renewal of registration;
- (b) Replacement plate, decal, or registration certificate;
- (c) Duplicate registration;
- (d) Transfer of registration; or
- (e) Temporary tag;

for any personal motor vehicle~~[as defined in KRS 304.39-087(1)]~~ if *the accessible online insurance verification system*~~[AVIS]~~ does not list the vehicle identification number of the personal motor vehicle as an insured vehicle, except as provided in subsection (3)~~(2)~~ of this section.

- (3)~~(2)~~ If *the accessible online insurance verification system*~~[AVIS]~~ does not list the vehicle identification number of the personal motor vehicle as an insured vehicle, the county clerk may process the application if :

- (a) The applicant has an insurance card in *either a* paper or *an* electronic format that indicates the required security is currently in full force *and effect* on the personal motor vehicle if the paper or electronic proof of insurance card was effective no more than *seven (7)*~~[forty five (45)]~~ days before the application is submitted to the county clerk; or
- (b) The owner of the motor vehicle:
 1. Is serving in the Armed Forces outside of Kentucky;~~[,]~~ and~~[the owner]~~
 2. Provides an affidavit by the provost marshal of the base where the owner is stationed stating that the motor vehicle is covered by security as required by Subtitle 39 of KRS Chapter 304.

- (4)~~(3)~~ This section shall not apply to any transactions involving Kentucky motor vehicle dealers who are licensed as required by KRS 190.030.

- (5)~~(4)~~ For purposes of this section:

- (a) An insurance card in an electronic format means the display of an image subject to immediate download or transmission from the applicant's insurer or *insurance* agent to the applicant on *an*~~[any portable]~~ electronic device, including a cellular phone or any other type of portable electronic device, but shall not include a photographic copy of a paper insurance card on a portable electronic device; and
- (b) The county clerk may require the applicant to *email*~~[e-mail]~~ the electronic insurance card to the clerk, and the clerk may print a copy of the card for the clerk's records.

➔Section 3. KRS 186A.100 is amended to read as follows:

- (1) (a) A motor vehicle dealer licensed under KRS 186.070 who sells a vehicle for use upon the highways of this state shall equip the vehicle with a temporary tag executed in the manner prescribed below, which shall be valid for sixty (60) days from the date the vehicle is delivered to the purchaser.
- (b) The cost of the tag shall be two dollars (\$2), of which the *county* clerk shall retain one dollar (\$1).
- (c) A motor vehicle dealer licensed under KRS 186.070 shall apply to the county clerk of the county in which the dealer maintains his *or her* principal place of business for issuance of temporary tags.

Application shall be made for such tags on forms supplied to the county clerk by the Transportation Cabinet.

- (2) The county clerk of any county who receives a proper application for issuance of temporary tags shall record the number of each tag issued upon the application of the dealer for such tags, or if a group of consecutively numbered temporary tags are issued to a dealer in connection with a single application, record the beginning and ending numbers of the group on the application.
- (3) The clerk shall retain, for a period of two (2) years, one (1) copy of the dealer's temporary tag application, and ensure that it reflects the numbers appearing on the tags issued with respect to such application.
- (4)
 - (a) If the owner of a motor vehicle submits to the county clerk a properly completed application for Kentucky certificate of title and registration pursuant to KRS 186A.120, any motor vehicle required to be registered and titled in Kentucky, that is not currently registered and titled in Kentucky, may be equipped with a temporary tag, which shall be valid for sixty (60) days from the date of issuance, issued by the county clerk for the purpose of operating the vehicle in Kentucky while assembling the necessary documents in order to title and register the vehicle in Kentucky.
 - (b) The Transportation Cabinet may ~~promulgate~~^{establish} administrative regulations *in accordance with KRS Chapter 13A* governing this ~~subsection~~^{section}.
- (5)
 - (a) The county clerk may issue a temporary tag to the owner of a motor vehicle that is currently registered and titled in Kentucky.
 - (b) A temporary tag authorized by this subsection shall be used for emergency or unusual purposes as determined by the *county* clerk for the purpose of maintaining the owner's current registration.
 - (c) A temporary tag authorized by this subsection may only be issued by the county clerk and shall be valid for a period of between twenty-four (24) hours and seven (7) days, as determined is necessary by the clerk.
 - (d) A county clerk shall not issue a temporary tag authorized by this subsection unless the owner of the motor vehicle applying for the tag presents proof of motor vehicle insurance pursuant to KRS 304.39-080. ~~[On and after January 1, 2006, if the motor vehicle is a personal motor vehicle as defined in KRS 304.39-087,]~~Proof of insurance *for a personal motor vehicle* shall be determined by the county clerk as provided in KRS 186A.042.
 - (e) A temporary tag issued pursuant to this subsection shall not be reissued by the county clerk for the same owner and same motor vehicle within one (1) year of issuance of a temporary tag.

➔Section 4. KRS 186.021 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section, a county clerk shall not issue a replacement plate, decal, or registration certificate as provided in KRS 186.180, or a registration for renewal to any person who on January 1 of any year owned a motor vehicle on which state, county, city, urban-county government, school, or special taxing district ad valorem taxes are delinquent.
- (2)
 - (a) Pursuant to KRS 134.810(4), the owner as defined in KRS 186.010(7)(a) and (c) on January 1 of any year shall be liable for taxes due on a motor vehicle.
 - (b) A person other than the owner of record who applies to a county clerk to transfer the registration of a motor vehicle may pay any delinquent ad valorem taxes due on the motor vehicle to facilitate the county clerk's transferring registration of the motor vehicle.
 - (c) The person applying shall not be required to pay delinquent ad valorem taxes due on any other motor vehicle owned by the owner of record from which he is purchasing his motor vehicle as a condition of registration.
- (3)
 - (a) A county clerk shall not issue a replacement plate, decal, or registration certificate as provided in KRS 186.180, or a registration renewal for any motor vehicle that is not insured in compliance with KRS 304.39-080.
 - (b) Each applicant for registration renewal shall present proof of compliance to the county clerk in a manner prescribed in administrative regulations issued by the Department of Insurance.

- (c) ~~[On and after January 1, 2006, if the motor vehicle is a personal motor vehicle as defined in KRS 304.39-087,]~~Proof of insurance *for a personal motor vehicle* shall be determined by the county clerk as provided in KRS 186A.042.

➔Section 5. KRS 186.040 is amended to read as follows:

- (1)
 - (a) Upon receiving the application and fee, the county clerk shall issue to the owner a certificate of registration containing the information required by subsection (2) of this section and a registration plate.
 - (b) If the cabinet finds that there is a shortage of materials suitable for making plates, or that a substantial saving will result, it may require by an administrative regulation promulgated in accordance with KRS Chapter 13A and with the approval of the Governor that the previously issued plates continue to be used for a designated period.
 - (c) Except as provided in subsection (3) of this section and in KRS 186.162, for services performed, the owner shall pay the county clerk the sum of six dollars (\$6) for each registration, or if the registration exceeds a twelve (12) month period, the clerk shall receive a fee of nine dollars (\$9).
- (2) The certificate of registration shall contain the registration number, the name and post office address of the owner, and such other information as the cabinet may require.
- (3) Thirty dollars (\$30) of the registration fee under KRS 186.050 for a motor vehicle that has a declared gross vehicle weight with any towed unit of forty-four thousand and one (44,001) pounds or greater shall be distributed to the county clerk of the county where the vehicle is registered.
- (4)
 - (a) Any person requesting a certificate of registration or renewal of registration of any type of motor vehicle shall have the opportunity to donate one dollar (\$1) to the child care assistance account.
 - (b) The one dollar (\$1) donation shall be added to the regular fee for vehicle registration.
 - (c) One (1) donation may be made per issuance or renewal of vehicle registration.
 - (d) Donation to the child care assistance account shall be voluntary and may be refused by the applicant at the time of the issuance or renewal of any vehicle registration.
- (5)
 - (a) The county clerk may retain five percent (5%) of fees collected for the child care assistance account under subsection (4) of this section.
 - (b) The remaining funds shall be deposited into a trust and agency account in the State Treasury to the credit of the Cabinet for Health and Family Services for the exclusive use as follows:
 - 1.~~1.(a)~~ Funds shall be made available to the agencies that administer child care subsidy funds; and
 - 2.~~2.(b)~~ Funds shall be used as determined by the cabinet for working families whose income exceeds the state income eligibility limits for child day care assistance.
- (6)
 - (a) Except as provided in KRS 186.162, in addition to the registration fee provided for county clerks in subsections (1) and (3) of this section, an additional three dollars (\$3) per registration shall be collected at the time of registration.
 - (b) This additional fee shall be distributed as follows:
 - 1.~~1.(a)~~ One dollar (\$1) shall be placed in an agency fund to provide additional funds exclusively for technological improvements or replacement of the AVIS system. The operation and maintenance of AVIS shall remain as currently provided for from the operational budget of the Transportation Cabinet and shall not be reduced below the 2005-2006 funding level;
 - 2.~~2.(b)~~ One dollar (\$1) shall be placed in an agency trust fund to provide funds exclusively for technological improvements to the hardware and software in county clerk offices related to the collection and administration of road fund taxes. The~~Transportation~~ cabinet, in consultation with county clerks, shall allocate funds as necessary from this fund to be used for this exclusive purpose; and
 - 3.~~3.(c)~~ One dollar (\$1) shall be placed in a trust fund to be maintained by the~~Transportation~~ cabinet to provide an unrestricted revenue supplement, for operations of the office related to the collection and administration of road fund taxes, to county clerk offices in counties containing a population of less than twenty thousand (20,000), as determined by the decennial census, and for no other

purpose. Annually, by March 1, the ~~Transportation~~ cabinet shall calculate the amount collected in the previous calendar year and distribute the entire fund proportionate to each county that qualifies under this paragraph based on population. This revenue shall be considered current year revenue when paid to the clerk and shall not be identified as excess fees from the previous year.

- (7) Any motor vehicle registration cancelled for nonrenewal shall be subject to the provisions of KRS 186.181.
- (8) (a) The owner of a motor vehicle for which the registration has been cancelled under this section, ***or revoked under subsection (5)(b) of Section 1 of this Act***, shall be subject to a reinstatement fee of forty dollars (\$40), payable to the county clerk.
- (b) The county clerk shall retain twenty dollars (\$20) of the reinstatement fee and forward the remaining twenty dollars (\$20) to the cabinet.
- (c) ***The portion of the reinstatement fee received by the cabinet under this subsection as a result of a revocation under subsection (5)(b) of Section 1 of this Act shall be placed in an agency fund to provide additional funds exclusively for the establishment, implementation, operation, maintenance, and any necessary improvements or replacement of the accessible online insurance verification system established under Section 1 of this Act.***

➔Section 6. KRS 186.180 is amended to read as follows:

- (1) (a) If ~~an~~~~the~~ owner loses his or her copy of a registration or transfer receipt, ***the owner***~~he or she~~ may obtain a duplicate from the county clerk who issued the present owner's copy of the receipt ~~if:~~~~by~~
 - 1. ~~Presenting the clerk~~ Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 ***is provided to the county clerk, except that proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010;***~~and by~~
 - 2. ***The owner files***~~Filing~~ an affidavit, upon a form furnished by the cabinet; ~~and~~~~;~~
 - 3. The owner ~~pays~~~~shall pay~~ to the ***county*** clerk a fee of three dollars (\$3)~~except proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010.~~
 - (b) When ~~an~~~~the~~ owner's copy of any registration or transfer receipt shows that the spaces provided thereon for noting and discharging security interests have been exhausted, the owner may ***obtain a duplicate from***~~apply to~~ the county clerk who issued the receipt ~~if:~~~~in order to obtain a duplicate thereof.~~
 - 1. The owner ~~surrenders~~~~shall surrender~~ his or her copy of the current receipt to the ***county*** clerk;~~and provide~~
 - 2. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 ***is provided to the county clerk, except that proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010; and***~~before a duplicate may be issued.~~
 - 3. The owner ~~pays to~~~~shall pay~~ the ***county*** clerk a fee of three dollars (\$3)~~except proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010.~~
 - (c) Any security interest which has been discharged as shown by the records of the clerk or upon the owner's copy of the current receipt shall be omitted from the duplicate receipt to be issued by the ***county*** clerk.
- (2) (a) If ~~an~~~~the~~ owner loses a registration plate, ***the owner***~~he or she~~ shall:
 - 1. Surrender his or her registration receipt to the county clerk from whom it was obtained; and
 - 2. File a written statement as to the loss of the plate.
 - (b) ~~Upon presenting the clerk proof of insurance on the motor vehicle in compliance with KRS 304.39-080, and upon the payment of the sum of three dollars (\$3) for each plate and a fee of three dollars (\$3) to the clerk for his or her services,~~ The owner shall be issued another registration receipt and a plate or plates, which shall bear a different number from that of the lost plate, ***if:***
 - 1. ***Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 is provided to the county clerk; and***

2. *The owner pays to the county clerk the sum of:*
 - a. *Three dollars (\$3) for each plate; and*
 - b. *Three dollars (\$3) to the county clerk for his or her services.*
 - (c) The *county* clerk shall:
 1. Retain the owner's statement;~~[-and-]~~
 2. ***Retain*** a copy of the owner's proof of insurance;~~[-, and shall -]~~
 3. Make a notation on the triplicate copy of the surrendered registration receipt stating the number of the registration receipt replacing it; ***and***~~[-]~~
 4. ***Forward*** the original copy of the surrendered receipt~~[-shall be forwarded-]~~ to the cabinet.
 - (d) The cabinet shall:
 1. ***Immediately***~~[-forthwith-]~~ cancel the registration corresponding to the number of the lost plate; ***and***
 2. ***Report***~~[-]~~ the cancellation~~[-shall be reported by the cabinet-]~~ to the commissioner of the Department of Kentucky State Police.
 - (e) Any person finding a lost registration plate shall deliver it to the~~[-Transportation-]~~ cabinet or to any county clerk for forwarding it to the cabinet.
 - (3) (a) If ~~an[the]~~ owner moves from one (1) county into another county of the Commonwealth, ***the owner[he or she]*** may obtain ***from the county clerk of his or her county of residence a new registration receipt and new*** registration plate bearing the name of the county of residence ***if***~~[-In order to obtain a new registration plate, the owner shall surrender -]~~
 1. ***The owner surrenders*** his or her current registration receipt and current registration plate to the county clerk;~~[-Upon being provided with -]~~
 2. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 ***is provided to***~~[-]~~ the ***county clerk; and***~~[-shall provide the owner with a new registration receipt and plate bearing the county name-]~~
 3. ***The owner pays a fee of five dollars (\$5) to the county clerk, of which the county clerk shall be entitled to retain three dollars (\$3) and the cabinet shall be entitled to two dollars (\$2).***
 - (b) The surrendered receipt and plate shall be forwarded to the~~[-Transportation-]~~ cabinet.~~[-The fee for this registration shall be five dollars (\$5) of which the clerk shall be entitled to three dollars (\$3) and the cabinet shall be entitled to two dollars (\$2).-]~~
 - (4) If ~~an[the]~~ owner's registration is revoked ***under subsection (5)(b) of Section 1 of this Act***~~[-as a result of the provisions set forth in KRS 186A.040-]~~, the owner may have his or her registration reinstated by the county clerk who issued the present owner's copy of the receipt ***if***~~[-by presenting the clerk proof of-]~~
 - (a) ***The owner pays to the county clerk the reinstatement fee required under subsection (8) of Section 5 of this Act; and***
 - (b) ***The owner provides proof of*** insurance on the motor vehicle in compliance with KRS 304.39-080 ***to the county clerk***~~[-and by filing an affidavit upon a form furnished by the cabinet; or~~
 - ~~(b) A valid compliance or exemption certificate in compliance with KRS 224.20-720 or issued under the authority of an air pollution control district under KRS 224.20-760].~~
 - (5) The owner of a motor vehicle that has the vehicle's registration revoked under KRS 186.290 shall pay to the clerk a fee of twenty dollars (\$20), which shall be equally divided between the county clerk and the cabinet.
 - (6) ~~{On and after January 1, 2006, if the motor vehicle is a personal motor vehicle as defined in KRS 304.39-087, }~~Proof of insurance ***for a personal motor vehicle***~~[-required under this section-]~~ shall be determined by the county clerk as provided in KRS 186A.042.
- ➔Section 7. KRS 186.190 is amended to read as follows:
- (1) (a) Except as provided for in paragraph (e) of this subsection, when a motor vehicle that has been previously registered changes ownership, the registration plate shall not remain upon the motor vehicle,

but shall be retained by the seller and may be transferred to another vehicle owned or leased by the seller in accordance with paragraph (b) or (c) of this subsection.

- (b) An individual who sells a motor vehicle which has a valid registration plate may transfer that plate to another vehicle of the same classification at the time the individual transfers the vehicle. If the individual does not have a vehicle to transfer the plate to at the time the individual sells a vehicle, the individual may hold the registration plate for the period of registration. At any time during the period of registration, the individual shall notify the county clerk and transfer the plate to a vehicle of the same classification that he or she has obtained prior to operating that vehicle on a public highway. If the plate transfer occurs in the final month in which the existing registration is still valid, the individual shall be required to renew the registration on the newly acquired vehicle.
- (c) An individual who trades in a motor vehicle with a valid registration plate during the purchase of a motor vehicle from a licensed motor vehicle dealer shall remove the plate from the vehicle offered in trade. A photocopy of the valid certificate of registration shall be included with the application for title and registration for the purchased vehicle, and the plate shall be retained by the purchaser. The dealer shall equip the purchased vehicle with a temporary tag in accordance with KRS 186A.100 before the buyer may operate it on the highway. When the buyer receives a valid certificate of registration from the county clerk, the buyer shall remove the temporary tag and affix the registration plate to the vehicle.
- (d) All vehicle transfers and registration plate transfers shall be initiated within the fifteen (15) day period established under KRS 186.020 and 186A.070.
- (e) This subsection shall not apply to transfers between motor vehicle dealers licensed under KRS Chapter 190. A secured party who repossesses a vehicle shall comply with KRS 186.045(6).
- (2) (a) A person shall not purchase, sell, or trade any motor vehicle without delivering to the county clerk of the county in which the sale or trade is made the title, and a notarized affidavit if required and available under KRS 138.450 attesting to the total and actual consideration paid or to be paid for the motor vehicle.
- (b) Except for transactions handled by a motor vehicle dealer licensed pursuant to KRS Chapter 190, the person who is purchasing the vehicle shall present proof of insurance in compliance with KRS 304.39-080 to the county clerk before the clerk transfers the registration on the vehicle.
- (c) Proof of insurance shall be in the manner prescribed in administrative regulations promulgated by the Department of Insurance pursuant to KRS Chapter 13A.
- (d) ~~{On and after January 1, 2006, if the motor vehicle is a personal motor vehicle as defined in KRS 304.39-087, }~~Proof of insurance **for a personal motor vehicle** shall be determined by the county clerk as provided in KRS 186A.042.
- (3) (a) Upon delivery of the title, and a notarized affidavit if required and available under KRS 138.450 attesting to the total and actual consideration paid or to be paid for the motor vehicle to the county clerk of the county in which the sale or trade was made, the seller shall pay to the county clerk a transfer fee of two dollars (\$2), which shall be remitted to the Transportation Cabinet.
- (b) If an affidavit is required, and available, the signatures on the affidavit shall be individually notarized before the county clerk shall issue to the purchaser a transfer of registration bearing the same data and information as contained on the original registration receipt, except the change in name and address.
- (c) The seller shall pay to the county clerk a fee of six dollars (\$6) for **the clerk's**~~his~~ services.
- (4) (a) If the owner junks or otherwise renders a motor vehicle unfit for future use, **the owner**~~he~~ shall deliver the registration plate and registration receipt to the county clerk of the county in which the motor vehicle is junked.
- (b) The county clerk shall return the plate and motor vehicle registration receipt to the Transportation Cabinet.
- (c) The owner shall pay to the county clerk one dollar (\$1) for **the clerk's**~~his~~ services.
- (5) A licensed motor vehicle dealer shall not be required to pay the transfer fee provided by this section, but shall be required to pay the county clerk's fee provided by this section.
- (6) The motor vehicle registration receipt issued by the clerk under this section shall contain information required by the Department of Vehicle Regulation.

➔Section 8. KRS 186.990 is amended to read as follows:

- (1) Any person who violates any of the provisions of KRS 186.020, 186.030, 186.040, 186.045(4), 186.050, 186.056, 186.060, 186.073, 186.110, 186.130, 186.140, 186.160, 186.170, 186.180(1) to (4)~~[(a)]~~, 186.210(1), 186.230, or KRS 186.655 to 186.680 shall be guilty of a violation.
- (2) Any person who violates any of the provisions of KRS 138.465, 186.072, 186.190, 186.200, or 186.210(2) shall be guilty of a Class A misdemeanor.
- (3) A person who violates the provisions of KRS 186.450(4), (5), or (6) or 186.452(3), (4), or (5) shall be guilty of a violation. A person who violates any of the other provisions of KRS 186.400 to 186.640 shall be guilty of a Class B misdemeanor.
- (4) Any clerk or judge failing to comply with KRS 186.550(1) shall be guilty of a violation.
- (5) If it appears to the satisfaction of the trial court that any offender under KRS 186.400 to 186.640 has a driver's license but in good faith failed to have it on his or her person or misplaced or lost it, the court may, in its discretion, dismiss the charges against the defendant without fine, imprisonment, or cost.
- (6) Any person who steals a motor vehicle registration plate or renewal decal shall be guilty of a Class D felony. Displaying a canceled registration plate on a motor vehicle shall be prima facie evidence of guilt under this section.
- (7) Any person who violates the provisions of KRS 186.1911 shall be guilty of a Class A misdemeanor.
- (8) Any person who makes a false affidavit to secure a license plate under KRS 186.172 shall be guilty of a Class A misdemeanor.
- (9) Any person who violates any provision of KRS 186.070 or 186.150 shall be guilty of a Class A misdemeanor.
- (10) Any person who operates a vehicle bearing a dealer's plate upon the highways of this Commonwealth with intent to evade the motor vehicle usage tax or registration fee shall be guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.
- (11) Any person, other than a licensed dealer or manufacturer, who procures a dealer's plate with intent to evade the motor vehicle usage tax or registration fee shall be guilty of a Class D felony.
- (12) Any resident who unlawfully registers, titles, or licenses a motor vehicle in any state other than Kentucky with intent to evade the motor vehicle usage tax or the registration fee shall be guilty of a Class A misdemeanor if the amount of tax due is less than one hundred dollars (\$100), or of a Class D felony if the amount of tax due is more than one hundred dollars (\$100), and in addition shall be liable for all taxes so evaded with applicable interest and penalties.

➔Section 9. KRS 304.39-085 is amended to read as follows:

- (1) *As used in this section, the following have the same meaning as in Section 1 of this Act:*
 - (a) *"Commercial motor vehicle";*
 - (b) *"Commercial motor vehicle insurance"; and*
 - (c) *"Insurer."*
- (2) Every *insurer that does not provide access to insurance status information for commercial motor vehicles as specified by the Department of Vehicle Regulation under Section 1 of this Act*~~authorized insurance company~~ shall, within one (1) calendar week following the end of its accounting month, send to the Department of Vehicle Regulation a list of all persons insured by it whose *commercial motor vehicle insurance*~~policy~~ was terminated by either cancellation or nonrenewal during such accounting month, except those persons whose nonrenewal was at the end of a policy with a term of six (6) months or longer and who failed to make a payment for the renewal of the policy. Such list shall include a description of each vehicle insured under such terminating policy.
- ~~(3)(2)~~ *An insurer may*~~It shall be lawful for an authorized insurance company to~~ present the information required by subsection ~~(2)(1)~~ of this section by compatible computer tape approved by the Department of Vehicle Regulation.
- ~~(3) On and after January 1, 2006, this section shall not apply to policies covering personal motor vehicles as defined in KRS 304.39-087.]~~

➔Section 10. KRS 304.39-087 is amended to read as follows:

- (1) (a) As used in this ~~subsection~~~~[section]~~, ~~[unless the context requires otherwise,]~~ "personal motor vehicle" means:
 - 1.~~[(a)]~~ A private passenger motor vehicle that is not used as a public or livery conveyance for passengers, nor rented to others; and
 - 2.~~[(b)]~~ Any other four-wheel motor vehicle that weighs six thousand (6,000) pounds or less which is not used in the occupation, profession, or business of the insured.
- (b)~~[(2)]~~ ***Prior to January 1, 2027***~~[Beginning January 1, 2006]~~, every insurance company that writes liability insurance on personal motor vehicles in Kentucky shall, between the first and fifteenth day of each month, send to the Department of Vehicle Regulation a list of the vehicle identification numbers (VINs) of each personal motor vehicle covered by liability insurance issued by the insurer as of the last day of the preceding month and the name of each personal motor vehicle insurance policyholder. The information shall be submitted either electronically or by paper copy at the option of the Department of Vehicle Regulation.
- (c)~~[(3)]~~ In the absence of malice, fraud, or gross negligence, ~~an~~~~[any]~~ insurer and any authorized employee of ~~the~~~~[an]~~ insurer shall not be subject to civil liability for libel, slander, or any other relevant tort, and no civil cause of action of any nature shall arise against the insurer or authorized employee, for submission of the information required by~~[- subsection (2) of]~~ this ~~subsection~~~~[section]~~, including submission of inaccurate or incomplete information.
- (2) ***Every insurer that provides coverage for the security required under KRS 304.39-080 for personal motor vehicles, as defined in Section 1 of this Act, shall comply with Section 1 of this Act.***

➔Section 11. KRS 304.39-117 is amended to read as follows:

- (1) ***As used in this section, the following have the same meaning as in Section 1 of this Act:***
 - (a) ***"Accessible online insurance verification system" or "system";***
 - (b) ***"Commercial motor vehicle";***
 - (c) ***"Insurer"; and***
 - (d) ***"Personal motor vehicle."***
- (2) (a) Each insurer~~[issuing an insurance contract which provides security covering a motor vehicle]~~ shall provide to the insured, in compliance with administrative regulations promulgated by the ~~commissioner~~~~[department]~~, written proof in the form of an insurance card that the insured has in ***full force and effect*** ~~the~~~~[an insurance contract providing]~~ security ***required under***~~[in conformity with]~~ this subtitle.
- (b) An insurer may provide an insurance card in either a paper or an electronic format.
- (c) ***For commercial motor vehicles, the insurance card shall clearly indicate that the coverage is commercial or fleet coverage.***
- (3)~~[(2)]~~ If an owner enters into an insurance contract on a newly acquired motor vehicle, or changes insurance carriers on an existing motor vehicle, the owner shall keep the paper insurance card or ~~an~~~~[a portable]~~ electronic device to download the insurance card in his or her motor vehicle for ***the following number of***~~forty-five (45)]~~ days ~~after~~~~[from]~~ the date the coverage took effect as prima facie evidence that the required security is currently in full force and effect, and shall show the card to a peace officer upon request:
 - (a) ***Except as provided in paragraph (b) of this subsection, forty-five (45) days for a commercial motor vehicle; or***
 - (b) ***Seven (7) days for a:***
 1. ***Personal motor vehicle; or***
 2. ***Commercial motor vehicle if the commercial motor vehicle is covered by an insurer that has opted to report to the accessible online insurance verification system.***

(4)(3) *For a ~~As to~~ personal motor vehicle or a commercial motor vehicle if the commercial motor vehicle is covered by an insurer that has opted to report to the accessible online insurance verification system: ~~vehicles as defined in KRS 304.39-087,~~*

- (a) The paper or electronic insurance card or the ~~system~~~~database created by KRS 304.39-087~~ shall be evidence to a peace officer who requests the card if the peace officer has access to the ~~system~~~~database through AVIS~~; ~~and~~;
- (b) If ~~the system~~~~AVIS~~ does not list the vehicle identification number of the ~~personal~~ motor vehicle as an insured vehicle, the peace officer may accept a paper or electronic insurance card as evidence that the required security is currently in full force and effect on the ~~personal~~ motor vehicle if the card was effective no more than *seven (7)*~~forty five (45)~~ days before the date on which the peace officer requests the card.

(5)(4) For purposes of this section:

- (a) An insurance card in an electronic format means the display of an image on any ~~portable~~ electronic device, including a cellular phone or any other type of portable electronic device, depicting a current valid representation of the card;
- (b) Whenever a person presents ~~an~~~~a mobile~~ electronic device pursuant to this section, that person assumes all liability for any damage to the ~~mobile~~ electronic device; and
- (c) When a person provides evidence of financial responsibility using ~~an~~~~a mobile~~ electronic device to a peace officer, the peace officer shall only view the electronic image of the insurance card and is prohibited from viewing any other content on the ~~mobile~~ electronic device.

➔Section 12. By July 1, 2025:

(1) The Department of Insurance shall identify and appoint the initial four insurer representatives to the technical advisory committee created under subsection (4) of Section 1 of this Act in accordance with paragraph (d) of that subsection; and

(2) The Department of Vehicle Regulation shall notify the members of the technical advisory committee created under subsection (4) of Section 1 of this Act of the date, time, and location of the first meeting, which meeting may include remote attendance and shall:

- (a) Take place within 30 days of the date of the notification; and
- (b) Include an informational status update from the department relating to the establishment and implementation of the accessible online insurance verification system.

➔Section 13. Sections 2 and 11 of this Act take effect on January 1, 2027.

Signed by Governor March 19, 2025.