S T A T E O F N E W Y O R K

6318

I N S E N A T E

January 14, 2014

Introduced by Sen. O'BRIEN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, the executive law, the state finance law, the penal law, the civil practice law and rules and the vehicle and traffic law, in relation to insurance fraud; to establish the temporary task force on motor vehicle insurance fraud; and providing for the repeal of certain provisions upon the expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 401 of the insurance law is amended by adding a new subsection (d) to read as follows:

(D) THE SUPERINTENDENT SHALL HAVE BROAD AUTHORITY PURSUANT TO THIS CHAPTER TO INVESTIGATE FRAUDULENT ACTIVITIES WITH REGARD TO MOTOR VEHICLE DRIVERS THAT OPERATE AUTOMOBILES WITH NO INSURANCE COVERAGE, AND MOTOR VEHICLE INSUREDS WHO MISREPRESENT THE PRINCIPAL PLACE WHERE INSURED MOTOR VEHICLES ARE GARAGED AND OPERATED. OPERATING MOTOR VEHICLES WITHOUT PROPER INSURANCE IN VIOLATION OF ARTICLE SIX OF THE VEHICLE AND TRAFFIC LAW IS A SIGNIFICANT DANGER TO THE PUBLIC BECAUSE DRIVERS ARE UNABLE TO COMPENSATE INDIVIDUALS FOR PERSONAL INJURIES, DEATH AND PROPERTY DAMAGE THEY INFLICT UPON OTHERS. FURTHERMORE, MOTOR VEHICLE INSUREDS WHO MISREPRESENT THE PRINCIPAL PLACE WHERE SUCH VEHICLES ARE GARAGED AND OPERATED IMPROPERLY SHIFT THEIR HIGH LIABILITY EXPOSURE COSTS TO OTHER MOTOR VEHICLE INSUREDS THAT DO NOT FACE SUCH HIGH LIABILITY RISK AND INSURANCE PREMIUM COSTS.

S 2. The insurance law is amended by adding a new section 405-a to read as follows:

S 405-A. COMPENSATION FOR REPORT OF INSURANCE FRAUD TO LAW ENFORCEMENT AUTHORITIES. (A) ANY PERSON, OTHER THAN PERSONS DESCRIBED IN SUBSECTION (A) OF SECTION FOUR HUNDRED FIVE OF THIS ARTICLE AND OTHER THAN A PERSON WHO HAS RECEIVED AN AWARD PURSUANT TO SECTION TWO HUNDRED THIRTY-ONE OF THE EXECUTIVE LAW, WHO HAS REASON TO BELIEVE THAT A FRAUDULENT INSURANCE ACT PROHIBITED PURSUANT TO ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW HAS BEEN COMMITTED OR THAT AN INSURANCE TRANSACTION MAY BE FRAUDULENT, OR HAS KNOWLEDGE THAT A FRAUDULENT INSURANCE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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TRANSACTION IS ABOUT TO TAKE PLACE, OR HAS TAKEN PLACE MAY REPORT SUCH ACT OR TRANSACTION AND ANY ADDITIONAL INFORMATION RELATIVE TO THE FACTUAL CIRCUMSTANCES OF THE TRANSACTION AND THE PARTIES INVOLVED TO THE ATTORNEY GENERAL, DISTRICT ATTORNEY OR INSURANCE FRAUDS BUREAU.

(B) IF THE INSURANCE FRAUDS BUREAU RECOMMENDS TO THE ATTORNEY GENERAL OR DISTRICT ATTORNEY TO COMMENCE AN ACTION, OR IF THE ATTORNEY GENERAL OR DISTRICT ATTORNEY COMMENCES AN ACTION BASED ON INFORMATION PROVIDED BY A PERSON PURSUANT TO SUBSECTION (A) OF THIS SECTION, THEN SUCH PERSON SHALL BE ENTITLED TO RECEIVE AN AWARD OF NOT MORE THAN FIFTEEN PERCENT OF THE PROCEEDS OF THE ACTION OR A SETTLEMENT OF THE CLAIM IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS. THE ATTORNEY GENERAL OR DISTRICT ATTORNEY SHALL RECOMMEND TO THE COURT WHEN A SETTLEMENT IS ENTERED THE AMOUNT OF SUCH AWARD. THE COURT SHALL BASE SUCH AWARD DECISION ON THE EXTENT TO WHICH THE PERSON SUBSTANTIALLY CONTRIBUTED TO THE PROSECUTION OF THE ACTION.

S 3. Section 2133 of the insurance law, as amended by chapter 77 of the laws of 1994, is amended to read as follows:

S 2133. [Forged] FALSE INSURANCE DOCUMENTS AND FORGED insurance identification cards. Any insurance company, insurance agent, insurance broker or other person who or which, personally or by the action of an employee or agent, KNOWINGLY possesses, transfers or uses: (A) ANY DOCUMENT WHICH PURPORTS TO EVINCE INSURANCE COVERAGE WHEN SUCH COVERAGE IS NOT IN EFFECT OR IS IN EFFECT AT LIMITS LESS THAN THOSE STATED IN THE DOCUMENT; OR (B) a forged insurance identification card for a motor vehicle, having knowledge, personally or through such employee or agent, of the fact that such insurance identification card, when issued, did not actually represent an owner's policy of liability insurance or a financial security bond issued by an insurance company licensed to do business in this state covering the motor vehicle identified on such card, shall be liable for payment to the people of this state of a civil penalty in a sum not exceeding one thousand dollars for the first such violation and a sum not exceeding five thousand dollars for each subsequent violation. For the purposes of this section the term "forged insurance identification card" means a written insurance identification card which has been falsely made, completed or altered, and the term "falsely made, completed or altered" shall have the same meaning as set forth in section 170.00 of the penal law.

S 4. The executive law is amended by adding a new section 231 to read as follows:

S 231. INSURANCE FRAUD REWARD PROGRAM; ESTABLISHMENT. 1. THE SUPERINTENDENT SHALL ESTABLISH A STATEWIDE INSURANCE FRAUD REWARD PROGRAM TO PAY REWARDS FOR INFORMATION LEADING TO THE ARREST AND CONVICTION OF PERSONS GUILTY OF A FRAUDULENT INSURANCE ACT AS DEFINED IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW.

2. THE SUPERINTENDENT SHALL CAUSE TO BE ESTABLISHED A TOLL-FREE STATEWIDE TELEPHONE NUMBER AND INTERNET WEBSITE FOR USE IN COLLECTING INFORMATION TO ASSIST IN THE INVESTIGATION AND PROSECUTION OF INSURANCE FRAUD CRIMES.

3. THE SUPERINTENDENT IS AUTHORIZED TO PROVIDE REWARDS OF UP TO ONE THOUSAND DOLLARS FOR INFORMATION LEADING TO THE ARREST AND CONVICTION OF INDIVIDUALS GUILTY OF A FRAUDULENT INSURANCE ACT AS DEFINED IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW.

4. THE SUPERINTENDENT IS AUTHORIZED TO PROVIDE REWARDS OF UP TO FIVE THOUSAND DOLLARS FOR INFORMATION LEADING TO THE ARREST AND CONVICTION OF INDIVIDUALS GUILTY OF A SPECIFIED OFFENSE IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW.

5. NO PERSON WHO RECEIVES COMPENSATION PURSUANT TO SECTION FOUR HUNDRED FIVE-A OF THE INSURANCE LAW SHALL BE ELIGIBLE FOR A REWARD PURSUANT TO THIS SECTION.

6. THE SUPERINTENDENT SHALL DISBURSE THE REWARDS PROVIDED FOR IN THIS SECTION FROM THE MONEYS APPROPRIATED TO THE DIVISION OF STATE POLICE FROM THE STATE POLICE MOTOR VEHICLE LAW ENFORCEMENT ACCOUNT ESTABLISHED BY SECTION NINETY-SEVEN-MM OF THE STATE FINANCE LAW, AS ADDED BY SECTION THREE HUNDRED EIGHTY-SEVEN OF CHAPTER FIFTY-FIVE OF THE LAWS OF NINETEEN HUNDRED NINETY-TWO.

S 5. Paragraph (a) of subdivision 2 of section 846-m of the executive law, as amended by section 6 of part T of chapter 57 of the laws of 2000, is amended to read as follows:

(a) The moneys received by the fund shall be expended in a manner that is consistent with the plan of operation, pursuant to appropriation, only to reimburse costs incurred by provider agencies for pilot program activities relating to the detection, prevention or reduction of motor vehicle theft and motor vehicle insurance fraud; PROVIDED, HOWEVER, THAT ON AND AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN, AT LEAST ONE-QUARTER OF THE MONEYS RECEIVED BY THE FUND SHALL BE DISBURSED EXCLUSIVELY TO SUPPORT EFFORTS UNDERTAKEN BY DISTRICT ATTORNEYS TO DETECT, IDENTIFY AND PROSECUTE FRAUD PERTAINING TO ARTICLE FIFTY-ONE OF THE INSURANCE LAW.

S 6. Subdivision 3 of section 97-mm of the state finance law, as amended by section 5 of part T of chapter 56 of the laws of 2009, is amended to read as follows:

3. Nine million one hundred thousand dollars annually of the state police motor vehicle law enforcement account, following appropriation by the legislature and allocation by the director of the budget, shall be made available for the state operation expenses of the division of state police including but not limited to the costs of activities relating to the detection, prosecution or reduction of automobile theft and related purposes, AND THE COSTS OF THE INSURANCE FRAUD REWARD PROGRAM ESTABLISHED PURSUANT TO SECTION TWO HUNDRED THIRTY-ONE OF THE EXECUTIVE LAW. All other funds of the state police motor vehicle law enforcement account, following appropriation by the legislature and allocation by the director of the budget, shall be made available for the state operation expenses of the division of state police including but not limited to the costs of activities relating to highway safety and public security.

S 7. Subdivision 4 of section 97-mm of the state finance law, as added by section 8 of part T of chapter 57 of the laws of 2000, is amended to read as follows:

4. The superintendent of state police, no later than March fifteenth of each year, shall furnish to the governor, the speaker of the assembly and the temporary president of the senate, a report detailing each programmatic component associated with the automobile theft AND AUTOMOBILE INSURANCE FRAUD prevention activities of the state police for the previous year. The report shall include, but not be limited to, a breakdown of the funds allocated to each programmatic component, including a breakdown by personal and nonpersonal services and number of employees, and the number of arrests, convictions, and vehicle recoveries. The report shall also contain an analysis of the incidence of automobile theft AND AUTOMOBILE INSURANCE FRAUD for each of the state police troop jurisdictions.

S 8. Subdivision 5 of section 170.10 of the penal law is amended and a new subdivision 6 is added to read as follows:

5. A prescription of a duly licensed physician or other person authorized to issue the same for any drug or any instrument or device used in the taking or administering of drugs for which a prescription is required by law[.]; OR

6. A CERTIFICATE OF INSURANCE OR AN INSURANCE IDENTIFICATION CARD, AS DEFINED IN SECTION THREE HUNDRED ELEVEN OF THE VEHICLE AND TRAFFIC LAW.

S 9. Section 170.15 of the penal law is amended to read as follows:

S 170.15 Forgery in the first degree.

A person is guilty of forgery in the first degree when, with intent to defraud, deceive or injure another, he OR SHE falsely makes, completes or alters [a]:

1. TEN OR MORE WRITTEN INSTRUMENTS; OR

2. A written instrument which is or purports to be, or which is calculated to become or to represent if completed:

[1.] (A) Part of an issue of money, stamps, securities or other valuable instruments issued by a government or governmental instrumentality; or

[2.] (B) Part of an issue of stock, bonds or other instruments representing interests in or claims against a corporate or other organization or its property.

Forgery in the first degree is a class C felony.

S 10. The penal law is amended by adding a new section 175.50 to read as follows:

S 175.50 OFFERING A FALSE APPLICATION FOR MOTOR VEHICLE INSURANCE OR REGISTRATION.

A PERSON IS GUILTY OF OFFERING A FALSE APPLICATION FOR MOTOR VEHICLE INSURANCE OR REGISTRATION WHEN KNOWING THAT ANY DOCUMENT HE OR SHE FILES WITH THE DEPARTMENT OF MOTOR VEHICLES OR AN INSURER PROVIDING LIABILITY INSURANCE FOR A MOTOR VEHICLE CONTAINS A FALSE STATEMENT OR FALSE INFORMATION WITH REGARD TO WHERE HE OR SHE RESIDES OR WHERE HIS OR HER MOTOR VEHICLE IS GARAGED AND OPERATED.

OFFERING A FALSE APPLICATION FOR MOTOR VEHICLE INSURANCE OR REGISTRATION IS A CLASS E FELONY.

S 11. Section 176.15 of the penal law, as amended by chapter 515 of the laws of 1986, is amended to read as follows:

S 176.15 Insurance fraud in the fourth degree.

A person is guilty of insurance fraud in the fourth degree when he [commits] OR SHE:

1. COMMITS a fraudulent insurance act and thereby wrongfully takes, obtains or withholds, or attempts to wrongfully take, obtain or withhold property with a value in excess of one thousand dollars; OR

2. OPERATES A MOTOR VEHICLE ON A PUBLIC HIGHWAY, WHEN SUCH MOTOR VEHICLE IS INSURED BY A POLICY ISSUED UNDER THE LAWS OF ANOTHER STATE, WHEN SUCH PERSON MAINTAINS HIS OR HER PRINCIPAL RESIDENCE IN THIS STATE OR SUCH MOTOR VEHICLE IS PRINCIPALLY GARAGED IN THIS STATE, AND SUCH INSURANCE POLICY WAS ISSUED UPON ANY WRITTEN OR ORAL STATEMENT BY SUCH PERSON THAT HE OR SHE PRINCIPALLY RESIDES IN SUCH OTHER STATE OR THAT SUCH MOTOR VEHICLE IS PRINCIPALLY GARAGED IN SUCH OTHER STATE.

Insurance fraud in the fourth degree is a class E felony.

S 12. Paragraph (c) of subdivision 4-b of section 1310 of the civil practice law and rules, as added by chapter 655 of the laws of 1990, is amended and a new paragraph (d) is added to read as follows:

(c) a conviction of a person for a violation of section 220.09, 220.16, 220.34 or 220.39 of the penal law, or a conviction of a criminal defendant for a violation of section 221.30 of the penal law, or where the accusatory instrument charges any such felony, conviction upon a

plea of guilty to a felony for which the plea is otherwise authorized by law, together with evidence which: (i) provides substantial indicia that the defendant used the real property to engage in a continual, ongoing course of conduct involving the unlawful mixing, compounding, manufacturing, warehousing, or packaging of controlled substances or where the conviction is for a violation of section 221.30 of the penal law, marijuana, as part of an illegal trade or business for gain; and (ii) establishes, where the conviction is for possession of a controlled substance or where the conviction is for a violation of section 221.30 of the penal law, marijuana, that such possession was with the intent to sell it[.]; OR

(D) A CONVICTION OF A PERSON OF ANY FELONY DEFINED IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW, OR OF AN ATTEMPT OR CONSPIRACY TO COMMIT ANY SUCH FELONY, PROVIDED THAT SUCH ATTEMPT OR CONSPIRACY CONSTITUTES A FELONY.

S 13. Subdivision 3-a of section 1311 of the civil practice law and rules, as added by chapter 655 of the laws of 1990, is amended to read as follows:

3-a. Conviction of a person in a criminal action upon an accusatory instrument which includes one or more of the felonies specified in subdivision four-b of section thirteen hundred ten of this article, of any felony other than such felonies, shall not preclude a defendant, in any subsequent proceeding under this article where that conviction is at issue, from adducing evidence that the conduct underlying the conviction would not establish the elements of any of the felonies specified in such subdivision other than the one to which the criminal defendant pled guilty. If the defendant does adduce such evidence, the burden shall be upon the claiming authority to prove, by clear and convincing evidence, that the conduct underlying the criminal conviction would establish the elements of the felony specified in such subdivision. Nothing contained in this subdivision shall affect the validity of a settlement of any forfeiture action negotiated between the claiming authority and a criminal defendant contemporaneously with the taking of a plea of guilty in a criminal action to any felony defined in article ONE HUNDRED SEVENTY-SIX OR two hundred twenty, or section 221.30 or 221.55 of the penal law, or to a felony conspiracy to commit the same.

S 14. Paragraphs (a) and (b) of subdivision 11 of section 1311 of the civil practice law and rules, as amended by section 47 of part A-1 of chapter 56 of the laws of 2010, are amended to read as follows:

(a) Any stipulation or settlement agreement between the parties to a forfeiture action shall be filed with the clerk of the court in which the forfeiture action is pending. No stipulation or settlement agreement shall be accepted for filing unless it is accompanied by an affidavit from the claiming authority that written notice of the stipulation or settlement agreement, including the terms of such, has been given to the office of victim services, the [state] division of criminal justice services, and in the case of a forfeiture based on a felony defined in article two hundred twenty or section 221.30 or 221.55 of the penal law, to the [state division] OFFICE of ALCOHOLISM AND substance abuse services. IN THE CASE OF A FORFEITURE BASED ON A FELONY DEFINED IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW, SUCH NOTICE SHALL ALSO BE GIVEN TO THE INSURANCE FRAUDS BUREAU OF THE DEPARTMENT OF FINANCIAL SERVICES.

(b) No judgment or order of forfeiture shall be accepted for filing unless it is accompanied by an affidavit from the claiming authority that written notice of judgment or order, including the terms of such,

has been given to the office of victim services, the [state] division of criminal justice services, and in the case of a forfeiture based on a felony defined in article two hundred twenty or section 221.30 or 221.55 of the penal law, to the [state division] OFFICE of ALCOHOLISM AND substance abuse services. IN THE CASE OF A FORFEITURE BASED ON A FELONY DEFINED IN ARTICLE ONE HUNDRED SEVENTY-SIX OF THE PENAL LAW, SUCH NOTICE SHALL ALSO BE GIVEN TO THE INSURANCE FRAUDS BUREAU OF THE DEPARTMENT OF FINANCIAL SERVICES.

S 15. Subdivision 4 of section 1349 of the civil practice law and rules, as amended by section 48 of part A-1 of chapter 56 of the laws of 2010, is amended to read as follows:

4. The claiming authority shall report the disposal of property and collection of assets pursuant to this section to the office of victim services, the [state] division of criminal justice services [and], the [state division] OFFICE of ALCOHOLISM AND substance abuse services AND THE INSURANCE FRAUDS BUREAU OF THE DEPARTMENT OF FINANCIAL SERVICES.

S 16. The vehicle and traffic law is amended by adding a new section 201-a to read as follows:

S 201-A. ACCESS TO INFORMATION. THE DEPARTMENT SHALL ALLOW LAW ENFORCEMENT PERSONNEL ACCESS TO ANY INDIVIDUAL'S STREET ADDRESS PROVIDED PURSUANT TO PARAGRAPH B OF SUBDIVISION ONE OF SECTION FOUR HUNDRED ONE AND SUBDIVISION ONE OF SECTION FIVE HUNDRED TWO OF THIS CHAPTER.

S 17. Paragraph b of subdivision 1 of section 401 of the vehicle and traffic law, as amended by chapter 222 of the laws of 1996, is amended to read as follows:

b. Every owner of a motor vehicle which shall be operated or driven upon the public highways of this state shall, except as otherwise expressly provided, cause to be presented, by mail or otherwise, to the office or a branch office of the commissioner, or to any agent of the commissioner, constituted as provided in this chapter, an application for registration addressed to the commissioner, and on a blank to be prepared under the direction of and furnished by the commissioner for that purpose, containing: (a) a brief description of the motor vehicle to be registered, including the name and factory number of such vehicle, and such other facts as the commissioner shall require; (b) the weight of the vehicle upon which the registration fee is based if the fee is based on weight; (c) the name and residence, including county of the owner of such motor vehicle, PROVIDED THAT IF THE APPLICANT USES A POST OFFICE BOX WHEN PROVIDING A RESIDENCE ADDRESS, SUCH APPLICANT SHALL ALSO PROVIDE THE STREET ADDRESS AT WHICH HE OR SHE RESIDES; (d) provided that, if such motor vehicle is used or to be used as an omnibus, the applicant also shall so certify, and in the case of an omnibus also certify as to the seating capacity, and if the omnibus is to be operated wholly within a municipality pursuant to a franchise other than a franchise express or implied in articles of incorporation upon certain streets designated in such franchise, those facts shall also be certified, and a certified copy of such franchise furnished to the commissioner; (e) provided, that, if such motor vehicle is an altered livery, the applicant shall so furnish a certified copy of the length of the center panel of such vehicle, provided, however, that the commissioner shall require such proof, as he OR SHE may determine is necessary, in the application for registration and provided further, if the center panel of such vehicle exceeds one hundred inches, the commissioner shall require proof that such vehicle is in compliance with all applicable federal and state motor vehicle safety standards; and (f) such additional facts or evidence as the commissioner may require in connection

with the application for registration. Every owner of a trailer shall also make application for the registration thereof in the manner herein provided for an application to register a motor vehicle, but shall contain a statement showing the manufacturer's number or other identification satisfactory to the commissioner and no number plate for a trailer issued under the provisions of subdivision three of section four hundred two of this [chapter] ARTICLE shall be transferred to or used upon any other trailer than the one for which number plate is issued. The commissioner shall require proof, in the application for registration, or otherwise, as such commissioner may determine, that the motor vehicle for which registration is applied for is equipped with lights conforming in all respects to the requirements of this chapter, and no motor vehicle shall be registered unless it shall appear by such proofs that such motor vehicle is equipped with proper lights as aforesaid. The said application shall contain or be accompanied by such evidence of the ownership of the motor vehicle described in the application as may be required by the commissioner or his OR HER agent and which, with respect to new vehicles, shall include, unless otherwise specifically provided by the commissioner, the manufacturer's statement of origin. Applications received by an agent of the commissioner shall be forwarded to the commissioner as he OR SHE shall direct for filing. No application for registration shall be accepted unless the applicant is at least sixteen years of age AND HAS SIGNED SUCH APPLICATION ATTESTING TO THE TRUTH AND VERACITY OF THE FACTS STATED THEREIN.

S 18. Temporary task force on motor vehicle insurance fraud. (a) The superintendent of financial services and the commissioner of motor vehicles shall convene a temporary task force on motor vehicle insurance fraud to examine the feasibility and cost-effectiveness of developing methodologies to identify owners and operators of motor vehicles who misrepresent the principal place of their residence or where their motor vehicles are garaged and operated. Such task force shall develop a plan on the feasibility of implementing a statewide registry of the street addresses of the owners and operators of motor vehicles in this state. The report issued by this task force shall:

(1) investigate the feasibility of developing and implementing a statewide registry of the addresses of motor vehicle owners and operators;

(2) detail the costs of establishing such a registry;

(3) identify the parameters for entering and retrieving data from such registry; and

(4) evaluate the value of establishing such registry in identifying motor vehicle owners and operators who misrepresent their place of residence or where their vehicle is garaged and operated.

(b) The task force shall consist of 13 members. The superintendent of financial services and the commissioner of motor vehicles, or their designees, shall be members of the task force and shall be the co-chairs of the task force. A representative of the New York Automobile Insurance Plan shall be a member of the task force. The remaining ten members of the task force shall be appointed as follows: four shall be appointed by the governor, two shall be appointed by the temporary president of the senate, two shall be appointed by the speaker of the assembly, one shall be appointed by the minority leader of the senate, and one shall be appointed by the minority leader of the assembly. Of such ten members: three shall be representatives of insurers actively writing motor vehicle insurance in this state, three shall be representatives of the insurance agent and broker community actively selling motor vehicle

insurance in this state, two shall be representatives of companies the business of which involves collecting, dispersing and synthesizing data, and two shall be representatives of the motor vehicle insurance buying public.

(c) The task force shall submit a report to the governor and the legislature of its findings, conclusions and recommendations within fifteen months of the effective date of this section.

S 19. This act shall take effect on the sixtieth day after it shall have become a law, provided that section eighteen of this act shall expire and be deemed repealed eighteen months after the effective date of this act.