

By: Callegari, Hegar, Casteel, Miller,
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H.B. No. 2573

Substitute the following for H.B. No. 2573:

By: Phillips

C.S.H.B. No. 2573

A BILL TO BE ENTITLED

AN ACT

relating to a motor vehicle financial responsibility verification
program; providing a penalty.

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

SECTION 1. Chapter 601, Transportation Code, is amended by
adding Subchapter N to read as follows:

SUBCHAPTER N. FINANCIAL RESPONSIBILITY VERIFICATION PROGRAM

Sec. 601.451. DEFINITION. In this subchapter,
"implementing agencies" means:

- (1) the Texas Department of Transportation;
- (2) the Texas Department of Insurance; and
- (3) the Department of Information Resources.

Sec. 601.452. IMPLEMENTATION OF PROGRAM; RULES. (a) The
Texas Department of Transportation in consultation with the other
implementing agencies shall establish a program for verification of
whether owners of motor vehicles have established financial
responsibility. The program established must be:

- (1) the program most likely to:
 - (A) reduce the number of uninsured motorists in
this state;
 - (B) operate reliably;
 - (C) be cost-effective;
 - (D) sufficiently protect the privacy of the motor
vehicle owners;

1 (E) sufficiently ensure the security and
2 integrity of each database to which it is applied; and

3 (F) identify and employ a method of compliance
4 that improves public convenience; and

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

7 (b) The implementing agencies shall jointly adopt rules to
8 administer this subchapter.

9 Sec. 601.453. AGENT. (a) The Texas Department of
10 Transportation in consultation with the other implementing
11 agencies, under a competitive bidding procedure, shall select an
12 agent to develop, implement, operate, and maintain the program.

13 (b) The implementing agencies shall jointly enter into a
14 contract with the selected agent.

15 (c) A contract under this section may not have a term of more
16 than 10 years.

17 Sec. 601.454. INFORMATION PROVIDED BY INSURANCE COMPANY;
18 PRIVACY. (a) Each insurance company providing motor vehicle
19 liability insurance policies in this state shall provide necessary
20 information or allow a chosen agent sufficient access to its
21 databases to allow the agent to carry out this subchapter, subject
22 to the agent's contract with the implementing agencies and rules
23 adopted under this subchapter.

24 (b) The agent is entitled only to information determined by
25 the implementing agencies to be necessary to carry out this
26 subchapter.

27 (c) Information obtained under this subchapter is

1 confidential. The agent may use the information only for a purpose
2 authorized under this subchapter and may not use the information
3 for a commercial purpose.

4 (d) A person commits an offense if the person knowingly uses
5 information obtained under this subchapter for any purpose not
6 authorized under this subchapter. An offense under this subsection
7 is a Class B misdemeanor.

8 SECTION 2. Sections 502.1715(c) and (d), Transportation
9 Code, are amended to read as follows:

10 (c) Fees [~~On or after August 31, 2005, fees~~] collected under
11 this section shall be deposited to the credit of the state highway
12 fund. Subject to appropriation, the money may be used by [~~the~~
13 ~~Department of Public Safety,~~] the Texas Department of Insurance,
14 the Department of Information Resources, and the department to
15 carry out Subchapter N, Chapter 601.

16 (d) The [~~Department of Public Safety and the~~] Texas
17 Department of Insurance, the Department of Information Resources,
18 and the department shall jointly adopt rules and develop forms
19 necessary to administer this section.

20 SECTION 3. Section 502.1715(b), Transportation Code, is
21 repealed.

22 SECTION 4. The Texas Department of Transportation shall
23 select an agent required by Section 601.453, Transportation Code,
24 as added by this Act, before December 31, 2005, and the agencies
25 responsible for implementing Subchapter N, Chapter 601,
26 Transportation Code, as added by this Act, shall require full
27 implementation of the financial responsibility verification

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1 program under that subchapter before December 31, 2006.

2 SECTION 5. This Act takes effect September 1, 2005.