

By: Staples

S.B. No. 1670

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

Sec. 601.452. IMPLEMENTATION OF PROGRAM; RULES. (a) The department 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

1 vehicle owners; and

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

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

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

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

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

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

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

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

26 (c) Information obtained under this subchapter is  
27 confidential. The agent may use the information only for a purpose

1 authorized under this subchapter and may not use the information  
2 for a commercial purpose.

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

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

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

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

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

21 SECTION 4. The Department of Public Safety of the State of  
22 Texas shall select an agent required by Section 601.453,  
23 Transportation Code, as added by this Act, before December 31,  
24 2005, and the agencies responsible for implementing Subchapter N,  
25 Chapter 601, Transportation Code, as added by this Act, shall  
26 require full implementation of the financial responsibility  
27 verification program under that subchapter before September 1,

1 2006.

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