

By: Staples

S.B. No. 1670

Substitute the following for S.B. No. 1670:

By: Phillips

C.S.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 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 safeguard the security and
2 integrity of information provided by insurance companies;

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

5 (G) provide information that is accurate and
6 current; and

7 (2) capable of being audited by an independent
8 auditor.

9 (b) The implementing agencies shall jointly adopt rules to
10 administer this subchapter.

11 (c) The implementing agencies shall convene a working group
12 to facilitate the implementation of the program, assist in the
13 development of rules, and coordinate a testing phase and necessary
14 changes identified in the testing phase. The working group must
15 consist of representatives of the implementing agencies and the
16 insurance industry and technical experts with the skills and
17 knowledge, including knowledge of privacy laws, required to create
18 and maintain the program.

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

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

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

27 Sec. 601.454. INFORMATION PROVIDED BY INSURANCE COMPANY;

1 PRIVACY. (a) Each insurance company providing motor vehicle
2 liability insurance policies in this state shall provide necessary
3 information for those policies to allow the agent to carry out this
4 subchapter, subject to the agent's contract with the implementing
5 agencies and rules adopted under this subchapter.

6 (b) The agent is entitled only to information that is at
7 that time available from the insurance company and that is
8 determined by the implementing agencies to be necessary to carry
9 out this subchapter.

10 (c) Information obtained under this subchapter is
11 confidential. The agent may use the information only for a purpose
12 authorized under this subchapter and may not use the information
13 for a commercial purpose.

14 (d) A person commits an offense if the person knowingly uses
15 information obtained under this subchapter for any purpose not
16 authorized under this subchapter. An offense under this subsection
17 is a Class B misdemeanor.

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

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

26 (d) The [~~Department of Public Safety and the~~] Texas
27 Department of Insurance, the Department of Information Resources,

1 and the department shall jointly adopt rules and develop forms
2 necessary to administer this section.

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

5 SECTION 4. The Texas Department of Transportation shall
6 select an agent required by Section 601.453, Transportation Code,
7 as added by this Act, before December 31, 2005. The agencies
8 responsible for implementing Subchapter N, Chapter 601,
9 Transportation Code, as added by this Act, shall require full
10 implementation of the financial responsibility verification
11 program under that subchapter for noncommercial vehicles before
12 December 31, 2006, and implementation of that program for
13 commercial vehicles when the implementing agencies determine that
14 implementation for commercial vehicles is feasible.

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