

1-1 By: Staples S.B. No. 1670  
1-2 (In the Senate - Filed March 11, 2005; March 30, 2005, read  
1-3 first time and referred to Committee on Transportation and Homeland  
1-4 Security; April 18, 2005, reported favorably by the following  
1-5 vote: Yeas 8, Nays 0; April 18, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to a motor vehicle financial responsibility verification  
1-9 program; providing a penalty.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 601, Transportation Code, is amended by  
1-12 adding Subchapter N to read as follows:

1-13 SUBCHAPTER N. FINANCIAL RESPONSIBILITY VERIFICATION PROGRAM

1-14 Sec. 601.451. DEFINITION. In this subchapter,  
1-15 "implementing agencies" means:

- 1-16 (1) the department;
- 1-17 (2) the Texas Department of Transportation;
- 1-18 (3) the Texas Department of Insurance; and
- 1-19 (4) the Department of Information Resources.

1-20 Sec. 601.452. IMPLEMENTATION OF PROGRAM; RULES. (a) The  
1-21 department in consultation with the other implementing agencies  
1-22 shall establish a program for verification of whether owners of  
1-23 motor vehicles have established financial responsibility. The  
1-24 program established must be:

- 1-25 (1) the program most likely to:
  - 1-26 (A) reduce the number of uninsured motorists in  
1-27 this state;
  - 1-28 (B) operate reliably;
  - 1-29 (C) be cost-effective;
  - 1-30 (D) sufficiently protect the privacy of the motor  
1-31 vehicle owners; and
  - 1-32 (E) sufficiently ensure the security and  
1-33 integrity of each database to which it is applied; and
- 1-34 (2) capable of being audited by an independent  
1-35 auditor.

1-36 (b) The implementing agencies shall jointly adopt rules to  
1-37 administer this subchapter.

1-38 Sec. 601.453. AGENT. (a) The department in consultation  
1-39 with the other implementing agencies, under a competitive bidding  
1-40 procedure, shall select an agent to develop, implement, operate,  
1-41 and maintain the program.

1-42 (b) The implementing agencies shall jointly enter into a  
1-43 contract with the selected agent.

1-44 (c) A contract under this section may not have a term of more  
1-45 than 10 years.

1-46 Sec. 601.454. INFORMATION PROVIDED BY INSURANCE COMPANY;  
1-47 PRIVACY. (a) Each insurance company providing motor vehicle  
1-48 liability insurance policies in this state shall provide necessary  
1-49 information or allow a chosen agent sufficient access to its  
1-50 databases to allow the agent to carry out this subchapter, subject  
1-51 to the agent's contract with the implementing agencies and rules  
1-52 adopted under this subchapter.

1-53 (b) The agent is entitled only to information determined by  
1-54 the implementing agencies to be necessary to carry out this  
1-55 subchapter.

1-56 (c) Information obtained under this subchapter is  
1-57 confidential. The agent may use the information only for a purpose  
1-58 authorized under this subchapter and may not use the information  
1-59 for a commercial purpose.

1-60 (d) A person commits an offense if the person knowingly uses  
1-61 information obtained under this subchapter for any purpose not  
1-62 authorized under this subchapter. An offense under this subsection  
1-63 is a Class B misdemeanor.

1-64 SECTION 2. Subsections (c) and (d), Section 502.1715,

2-1 Transportation Code, are amended to read as follows:

2-2 (c) Fees [~~On or after August 31, 2005, fees~~] collected under  
2-3 this section shall be deposited to the credit of the state highway  
2-4 fund. Subject to appropriation, the money may be used by the  
2-5 Department of Public Safety, the Texas Department of Insurance, the  
2-6 Department of Information Resources, and the department to carry  
2-7 out Subchapter N, Chapter 601.

2-8 (d) The Department of Public Safety, [~~and~~] the Texas  
2-9 Department of Insurance, the Department of Information Resources,  
2-10 and the department shall jointly adopt rules and develop forms  
2-11 necessary to administer this section.

2-12 SECTION 3. Subsection (b), Section 502.1715,  
2-13 Transportation Code, is repealed.

2-14 SECTION 4. The Department of Public Safety of the State of  
2-15 Texas shall select an agent required by Section 601.453,  
2-16 Transportation Code, as added by this Act, before December 31,  
2-17 2005, and the agencies responsible for implementing Subchapter N,  
2-18 Chapter 601, Transportation Code, as added by this Act, shall  
2-19 require full implementation of the financial responsibility  
2-20 verification program under that subchapter before September 1,  
2-21 2006.

2-22 SECTION 5. This Act takes effect September 1, 2005.

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