

By: Carona

S.B. No. 1097

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and determination of financial responsibility for a motor vehicle; providing a penalty.

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

SECTION 1. Section 601.052(a), Transportation Code, is amended to read as follows:

(a) Section 601.051 does not apply to:

(1) the operation of a motor vehicle that:

(A) is a former military vehicle or is at least 25 years old;

(B) is used only for exhibitions, club activities, parades, and other functions of public interest and not for regular transportation; and

(C) for which the owner files with the Texas Department of Insurance [~~department~~] an affidavit, signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B);

(2) the operation of a golf cart not required to be registered under Section 502.284; or

(3) a volunteer fire department for the operation of a motor vehicle the title of which is held in the name of a volunteer fire department.

SECTION 2. Section 601.053, Transportation Code, is amended by amending Subsection (b) and adding Subsection (c) to read as

1 follows:

2 (b) Except as provided by Subsection (c), an [An] operator  
3 who does not exhibit evidence of financial responsibility under  
4 Subsection (a) is presumed to have operated the vehicle in  
5 violation of Section 601.051.

6 (c) Subsection (b) does not apply if the peace officer  
7 determines through use of the verification program established  
8 under Subchapter N that financial responsibility has been  
9 established for the vehicle.

10 SECTION 3. Sections 601.121(a), (d), and (e),  
11 Transportation Code, are amended to read as follows:

12 (a) A person may establish financial responsibility by  
13 filing with the Texas Department of Insurance [~~department~~] a bond:

14 (1) with at least two individual sureties, each of  
15 whom owns real property in this state that is not exempt from  
16 execution under the constitution or laws of this state;

17 (2) conditioned for payment in the amounts and under  
18 the same circumstances as required under a motor vehicle liability  
19 insurance policy;

20 (3) that is not cancelable before the sixth day after  
21 the date that [~~the~~] department receives written notice of the  
22 cancellation;

23 (4) accompanied by the fee required by Subsection (e);

24 and

25 (5) approved by that [~~the~~] department.

26 (d) On filing of a bond, the Texas Department of Insurance  
27 [~~department~~] shall issue to the person who filed the bond a

1 certificate of compliance with this section.

2 (e) The Texas Department of Insurance [~~department~~] shall  
3 file notice of the bond in the office of the county clerk of the  
4 county in which the real property is located. The notice must  
5 include a description of the property described in the bond. The  
6 county clerk or the county clerk's deputy, on receipt of the notice,  
7 shall acknowledge the notice and record it in the lien records. The  
8 recording of the notice is notice in accordance with statutes  
9 governing the recordation of a lien on real property.

10 SECTION 4. Section 601.122(c), Transportation Code, is  
11 amended to read as follows:

12 (c) The comptroller may not accept the deposit and the Texas  
13 Department of Insurance [~~department~~] may not accept the certificate  
14 unless the deposit or certificate is accompanied by evidence that  
15 an unsatisfied judgment of any character against the person making  
16 the deposit does not exist in the county in which the person making  
17 the deposit resides.

18 SECTION 5. Section 601.123(c), Transportation Code, is  
19 amended to read as follows:

20 (c) On receipt of the deposit, the county judge shall issue  
21 to the person making the deposit a certificate stating that a  
22 deposit complying with this section has been made. The certificate  
23 must be acknowledged by the sheriff of that county and filed with  
24 the Texas Department of Insurance [~~department~~].

25 SECTION 6. Sections 601.124(a), (b), and (d),  
26 Transportation Code, are amended to read as follows:

27 (a) A person in whose name more than 25 motor vehicles are

1 registered may qualify as a self-insurer by obtaining a certificate  
2 of self-insurance issued by the Texas Department of Insurance  
3 [~~department~~] as provided by this section.

4 (b) The Texas Department of Insurance [~~department~~] may  
5 issue a certificate of self-insurance to a person if:

6 (1) the person applies for the certificate; and

7 (2) that [~~the~~] department is satisfied that the person  
8 has and will continue to have the ability to pay judgments obtained  
9 against the person.

10 (d) The Texas Department of Insurance [~~department~~] for  
11 cause may cancel a certificate of self-insurance after a hearing.  
12 The self-insurer must receive at least five days' notice of the  
13 hearing. Cause includes failure to pay a judgment before the 31st  
14 day after the date the judgment becomes final.

15 SECTION 7. Subchapter N, Chapter 601, Transportation Code,  
16 as added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature,  
17 Regular Session, 2005, is amended by adding Sections 601.455 and  
18 601.456 to read as follows:

19 Sec. 601.455. EVIDENCE OF FINANCIAL RESPONSIBILITY  
20 PROVIDED BY ALTERNATE METHOD. (a) This section applies to a person  
21 that:

22 (1) establishes financial responsibility under  
23 Section 601.121, 601.122, or 601.123; or

24 (2) qualifies as a self-insurer under Section 601.124.

25 (b) A person subject to this section shall provide the agent  
26 selected under Section 601.453 with information regarding the  
27 financial responsibility established by the person or the person's

1 qualification as a self-insurer as necessary for the agent to carry  
2 out this subchapter, subject to the agent's contract with the  
3 implementing agencies and rules adopted under this subchapter.

4 Sec. 601.456. CONFIDENTIALITY OF INFORMATION; PENALTY. (a)  
5 Except as otherwise provided by this subchapter or another law of  
6 this state, information obtained by the agent under this subchapter  
7 is confidential. The agent may use the information only as  
8 authorized under this subchapter and is prohibited from using the  
9 information for a commercial purpose.

10 (b) A person commits an offense if the person knowingly  
11 discloses or uses information obtained under this subchapter for a  
12 purpose that is not authorized under this subchapter or another law  
13 of this state.

14 (c) An offense under this section is a Class B misdemeanor.

15 SECTION 8. This Act takes effect September 1, 2009.