

1-1 By: Carona S.B. No. 1097  
1-2 (In the Senate - Filed February 24, 2009; March 13, 2009, read  
1-3 first time and referred to Committee on Business and Commerce;  
1-4 April 15, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 15, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1097 By: Harris

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the establishment and determination of financial  
1-11 responsibility for a motor vehicle; providing a penalty.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (a), Section 601.052, Transportation  
1-14 Code, is amended to read as follows:

1-15 (a) Section 601.051 does not apply to:

1-16 (1) the operation of a motor vehicle that:

1-17 (A) is a former military vehicle or is at least 25  
1-18 years old;

1-19 (B) is used only for exhibitions, club  
1-20 activities, parades, and other functions of public interest and not  
1-21 for regular transportation; and

1-22 (C) for which the owner files with the Texas  
1-23 Department of Insurance [~~department~~] an affidavit, signed by the  
1-24 owner, stating that the vehicle is a collector's item and used only  
1-25 as described by Paragraph (B);

1-26 (2) the operation of a golf cart not required to be  
1-27 registered under Section 502.0071 [~~502.284~~]; or

1-28 (3) a volunteer fire department for the operation of a  
1-29 motor vehicle the title of which is held in the name of a volunteer  
1-30 fire department.

1-31 SECTION 2. Section 601.053, Transportation Code, is amended  
1-32 by amending Subsection (b) and adding Subsection (c) to read as  
1-33 follows:

1-34 (b) Except as provided by Subsection (c), an [~~An~~] operator  
1-35 who does not exhibit evidence of financial responsibility under  
1-36 Subsection (a) is presumed to have operated the vehicle in  
1-37 violation of Section 601.051.

1-38 (c) Subsection (b) does not apply if the peace officer  
1-39 determines through use of the verification program established  
1-40 under Subchapter N that financial responsibility has been  
1-41 established for the vehicle.

1-42 SECTION 3. Subsections (a), (d), and (e), Section 601.121,  
1-43 Transportation Code, are amended to read as follows:

1-44 (a) A person may establish financial responsibility by  
1-45 filing with the Texas Department of Insurance [~~department~~] a bond:

1-46 (1) with at least two individual sureties, each of  
1-47 whom owns real property in this state that is not exempt from  
1-48 execution under the constitution or laws of this state;

1-49 (2) conditioned for payment in the amounts and under  
1-50 the same circumstances as required under a motor vehicle liability  
1-51 insurance policy;

1-52 (3) that is not cancelable before the sixth day after  
1-53 the date that [~~the~~] department receives written notice of the  
1-54 cancellation; and

1-55 (4) [~~accompanied by the fee required by Subsection~~  
1-56 ~~(e), and~~

1-57 [~~(5)~~] approved by that [~~the~~] department.

1-58 (d) On filing of a bond, the Texas Department of Insurance  
1-59 [~~department~~] shall issue to the person who filed the bond a  
1-60 certificate of compliance with this section.

1-61 (e) The Texas Department of Insurance [~~department~~] shall  
1-62 file notice of the bond in the office of the county clerk of the  
1-63 county in which the real property is located. The notice must

2-1 include a description of the property described in the bond. The  
2-2 county clerk or the county clerk's deputy, on receipt of the notice,  
2-3 shall acknowledge the notice and record it in the lien records. The  
2-4 recording of the notice is notice in accordance with statutes  
2-5 governing the recordation of a lien on real property.

2-6 SECTION 4. Subsection (c), Section 601.122, Transportation  
2-7 Code, is amended to read as follows:

2-8 (c) The comptroller may not accept the deposit and the Texas  
2-9 Department of Insurance [~~department~~] may not accept the certificate  
2-10 unless the deposit or certificate is accompanied by evidence that  
2-11 an unsatisfied judgment of any character against the person making  
2-12 the deposit does not exist in the county in which the person making  
2-13 the deposit resides.

2-14 SECTION 5. Subsection (c), Section 601.123, Transportation  
2-15 Code, is amended to read as follows:

2-16 (c) On receipt of the deposit, the county judge shall issue  
2-17 to the person making the deposit a certificate stating that a  
2-18 deposit complying with this section has been made. The certificate  
2-19 must be acknowledged by the sheriff of that county and filed with  
2-20 the Texas Department of Insurance [~~department~~].

2-21 SECTION 6. Subsections (a), (b), and (d), Section 601.124,  
2-22 Transportation Code, are amended to read as follows:

2-23 (a) A person in whose name more than 25 motor vehicles are  
2-24 registered may qualify as a self-insurer by obtaining a certificate  
2-25 of self-insurance issued by the Texas Department of Insurance  
2-26 [~~department~~] as provided by this section.

2-27 (b) The Texas Department of Insurance [~~department~~] may  
2-28 issue a certificate of self-insurance to a person if:

2-29 (1) the person applies for the certificate; and

2-30 (2) that [~~the~~] department is satisfied that the person  
2-31 has and will continue to have the ability to pay judgments obtained  
2-32 against the person.

2-33 (d) The Texas Department of Insurance [~~department~~] for  
2-34 cause may cancel a certificate of self-insurance after a hearing.  
2-35 The self-insurer must receive at least five days' notice of the  
2-36 hearing. Cause includes failure to pay a judgment before the 31st  
2-37 day after the date the judgment becomes final.

2-38 SECTION 7. Subchapter N, Chapter 601, Transportation Code,  
2-39 as added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature,  
2-40 Regular Session, 2005, is amended by adding Sections 601.455 and  
2-41 601.456 to read as follows:

2-42 Sec. 601.455. EVIDENCE OF FINANCIAL RESPONSIBILITY  
2-43 PROVIDED BY ALTERNATE METHOD. The Texas Department of Insurance  
2-44 shall provide the agent selected under Section 601.453 of this  
2-45 subchapter with information regarding financial responsibility  
2-46 that is established under Section 601.121, 601.122, 601.123, or  
2-47 601.124 as necessary for the agent to carry out this subchapter,  
2-48 subject to the agent's contract with the implementing agencies and  
2-49 rules adopted under this subchapter.

2-50 Sec. 601.456. CONFIDENTIALITY OF INFORMATION; PENALTY.

2-51 (a) Except as otherwise provided by this subchapter or another law  
2-52 of this state, information obtained by the agent under this  
2-53 subchapter is confidential. The agent may use the information only  
2-54 as authorized under this subchapter and is prohibited from using  
2-55 the information for a commercial purpose.

2-56 (b) A person commits an offense if the person knowingly  
2-57 discloses or uses information obtained under this subchapter for a  
2-58 purpose that is not authorized under this subchapter or another law  
2-59 of this state.

2-60 (c) An offense under this section is a Class B misdemeanor.

2-61 SECTION 8. This Act takes effect September 1, 2009.

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