LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 2009

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **SB1097** by Carona (Relating to the establishment and determination of financial responsibility for a motor vehicle; providing a penalty.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to transfer the oversight responsibilities for self-insured companies and drivers from the Department of Public Safety (DPS) to the Texas Department of Insurance (TDI).

TDI would need to develop the infrastructure and adopt new rules to implement the new duties. Additionally, TDI would need to hold hearings regarding the denial or cancellation of certificates of self-insurance. Based on analysis provided by TDI, any costs associated with the implementation of this bill could be absorbed within existing agency resources.

The bill would require a peace officer to determine through use of the Financial Responsibility Verification Program (FRVP) that financial responsibility has been established for the vehicle; therefore, the requirement to exhibit evidence of financial responsibility would not apply. Based on analysis provided by DPS, any costs associated with the implementation of this bill could be absorbed within existing resources.

Local Government Impact

Punishment for a Class B misdemeanor offense is a fine not to exceed $2,000, confinement in jail not to exceed 180 days, or both. Revenue gain from fines imposed would vary and depend on the number of offenses prosecuted and the amount of the fine imposed. Costs associated with imposition of jail time would depend on the number of days imposed.

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 405 Department of Public Safety, 601 Department of Transportation

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