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| BILL ANALYSIS |

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| C.S.H.B. 3737 |
| By: Lucio III |
| Insurance |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE**  The legislature established a financial responsibility verification program, branded TexasSure, more than a decade ago as a way to help reduce the number of uninsured motorists in Texas. It has been noted that despite having primary responsibility for contract administration and program operations, the Texas Department of Insurance (TDI) is not a user of the TexasSure system but still devotes significant staff time and resources to program operations and maintenance to ensure the requirements of other state agencies that use and provide data to the system are met. C.S.H.B. 3737 seeks to transfer operation of the program and all related powers, duties, functions, and activities from TDI to the Texas Department of Motor Vehicles. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY**  It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS**  C.S.H.B. 3737 transfers the following from the Texas Department of Insurance (TDI) to the Texas Department of Motor Vehicles (TxDMV):   * the powers, duties, functions, and activities of TDI relating to the establishment and operation of the financial responsibility verification program established under the Texas Motor Vehicle Safety Responsibility Act; * any TDI obligations and contracts that are directly related to implementing a transferred power, duty, function, or activity; and * all property and records in TDI custody that are related to a transferred power, duty, function, or activity and all funds appropriated by the legislature for that power, duty, function, or activity.   The bill requires the transfer to occur not later than January 1, 2020, and requires TDI and TxDMV, not later than the 60th day after the bill's effective date, to enter into a memorandum of understanding that establishes a plan for the identification and transfer of TDI records, property, and unspent appropriations that are used for purposes of TDI powers and duties directly related to the establishment and operation of the financial responsibility verification program.  C.S.H.B. 3737 amends the Transportation Code to remove TDI from the agencies involved with establishing, implementing, and administering the financial responsibility verification program. The bill authorizes the commissioner of insurance, after notice and opportunity for hearing, to take any action authorized under applicable law against an insurance company that provides motor vehicle liability insurance policies in Texas if the commissioner determines that the company is in violation of or has failed to comply with the requirement to provide certain information to the agent selected for the verification program or rules adopted under that program. |
| **EFFECTIVE DATE**  On passage, or, if the bill does not receive the necessary vote, September 1, 2019. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**  While C.S.H.B. 3737 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.  The substitute changes the agency to which the administration of the financial responsibility verification program is transferred from the Department of Public Safety to TxDMV.  The substitute includes a deadline of not later than the 60th day after the bill's effective date for the transferring agencies to enter into a memorandum of understanding.  The substitute includes a provision removing TDI from the agencies involved with establishing, implementing, and administering the verification program. |