

BILL ANALYSIS

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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2009, the legislature created the Texas Department of Motor Vehicles (TxDMV) by transferring various motor vehicle and motor carrier functions from the Texas Department of Transportation to the newly created department. TxDMV provides title, registration, and license plate services and regulates key aspects of the motor vehicle and motor vehicle industries.

The Sunset Advisory Commission found that TxDMV has largely accomplished the legislature's goals for improved performance and it recommended continuing TxDMV for 12 years. However, areas for improvement remain, including combating title fraud and information technology planning. TxDMV is subject to abolishment under the Sunset Act on September 1, 2019, unless continued by the legislature.

As proposed, S.B. 604 amends current law relating to the continuation and functions of the Texas Department of Motor Vehicles and to the operations of certain other entities performing functions associated with the department.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles (TxDMV board) in SECTION 2.07 (Section 2301.709, Occupations Code) of this bill.

Rulemaking authority is expressly granted to the TxDMV board in SECTION 3.04 (Section 520.021, Transportation Code), SECTION 3.06, and SECTION 3.07 of this bill.

Rulemaking authority previously granted to the TxDMV board is modified in SECTION 1.06 (Section 1003.008, Transportation Code) and SECTION 3.01 (Section 520.004, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. GENERAL PROVISIONS

SECTION 1.01. Amends Section 1001.005, Transportation Code, as follows:

Sec. 1001.005. SUNSET PROVISION. Provides that, unless continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act), the Texas Department of Motor Vehicles (TxDMV) is abolished September 1, 2031, rather than September 1, 2019.

SECTION 1.02. Amends Section 1001.030, Transportation Code, as follows:

Sec. 1001.030. New heading: BOARD MEMBER TRAINING. (a) Prohibits a person who is appointed to and qualifies for office as a member of the board of TxDMV (board) from voting, deliberating, or being counted as a member in attendance at a meeting of the board until the person completes a training program that complies with this section, rather than requiring a person appointed to the board to complete at least one course of a training program that complies with this section to be eligible to take office as a member of the board.

(b) Makes a nonsubstantive change and requires the training program to provide the person with information regarding:

- (1) the law governing TxDMV operations, rather than this subchapter;
- (2) the board's programs, functions, and rules and the budget of TxDMV, rather than the programs operated by TxDMV;
- (3) the scope of and limitations on the rulemaking authority of the board, rather than the role and functions of TxDMV;
- (4) the types of board rules, interpretations, and enforcement actions that may implicate federal antitrust law by limiting competition or impacting prices charged by persons engaged in a profession or business the board regulates, including rules, interpretations, and enforcement actions that regulate the scope of practice of persons in a profession or business the board regulates, that restrict advertising by persons in a profession or business the board regulates, that affect the price of goods or services provided by persons in a profession or business the board regulates, or that restrict participation in a profession or business the board regulates, rather than the rules of TxDMV with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) creates this subdivision from existing Subdivision (6) and deletes existing text relating to the current budget for TxDMV;
- (6) the requirements of laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest, and other laws applicable to members of the board in performing their duties, rather than the requirements of the open meetings law, Chapter 551 (Open Meetings), Government Code, the open records law, Chapter 552 (Public Information), Government Code, and administrative procedure law, Chapter 2001 (Administrative Procedure), Government Code; and
- (7) any applicable ethics policies adopted by TxDMV or the Texas Ethics Commission.
- (8)–(9) Deletes these subdivisions and existing text relating to the requirements of the conflict of interest laws and other laws relating to public officials.

(c) Provides that a person appointed to the board is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program, regardless of whether the attendance at the program occurs before or after the person qualifies for office, rather than being entitled to reimbursement for travel expenses incurred in attending the training program as provided by the General Appropriations Act and as if the person were a member of the board.

(d) Requires the executive director of TxDMV (executive director) to create a training manual that includes the information required by Subsection (b). Requires the executive director to distribute a copy of the training manual annually to each member of the board. Requires each member of the board, on receipt of the training manual, to sign and submit to the executive director a statement acknowledging receipt of the training manual.

SECTION 1.03. Amends Section 1001.041(a), Transportation Code, to include a general counsel among the individuals the executive director is required to appoint, as necessary to carry out the powers and duties of TxDMV under this code and certain other laws.

SECTION 1.04. Section 1001.0411, Transportation Code, by adding Subsection (c) to require the executive director to hire and oversee a general counsel to advise TxDMV in accordance with Section 1001.041(a).

SECTION 1.05. Amends Section 1001.042, Transportation Code, as follows:

Sec. 1001.042. DIVISION OF RESPONSIBILITIES. Requires the board to develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the executive director, including the appointment of TxDMV staff, and the staff of the TxDMV, rather than policies that clearly define the responsibilities of the executive director and the staff of TxDMV.

SECTION 1.06. Amends Chapter 1003, Transportation Code, by adding Sections 1003.0055 and 1003.008, as follows:

Sec. 1003.0055. COMPLAINTS. (a) Requires TxDMV to maintain a system to promptly and efficiently act on complaints filed with TxDMV. Requires TxDMV to maintain information about parties to and the subject matter of the complaint and a summary of the results of the review or investigation of the complaint and the disposition of the complaint.

(b) Requires TxDMV to make information available describing its procedures for complaint investigation and resolution.

(c) Requires TxDMV to periodically notify the parties to the complaint of the status of the complaint until final disposition.

Sec. 1003.008. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION POLICY. (a) Requires the board to develop and implement a policy to encourage the use of negotiated rulemaking procedures under Chapter 2008 (Negotiated Rulemaking), Government Code, for the adoption of TxDMV rules, and appropriate alternative dispute resolution procedures under Chapter 2009 (Alternate Dispute Resolution for Use by Governmental Bodies), Government Code, to assist in the resolution of internal and external disputes under TxDMV's jurisdiction.

(b) Requires TxDMV's procedures relating to alternative dispute resolution to conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) Requires TxDMV to coordinate the implementation of the policy developed under Subsection (a), provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution, and collect data concerning the effectiveness of those procedures.

SECTION 1.07. Repealer: Section 2110.002(c) (relating to an exception to the application of that section to an advisory committee established by TxDMV), Government Code.

Repealer: Section 1001.031(a-1) (relating to an exception to the application of Section 2110.002, Government Code, to an advisory committee established under that section), Transportation Code.

SECTION 1.08. (a) Provides that Section 1001.030, Transportation Code, as amended by this Act, applies to a member of the board who is appointed before, on, or after the effective date of this Act, except as provided by Subsection (b) of this section.

(b) Requires a member of the board who, before the effective date of this Act, completed the training program required by Section 1001.030, Transportation Code, as that law existed before the effective date of this Act, to complete additional training only on

subjects added by this Act to the training program as required by Section 1001.030, Transportation Code, as amended by this Act. Prohibits a board member described by this subsection from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2019, until the member completes the additional training.

ARTICLE 2. LICENSING

SECTION 2.01. Amends Section 2301.203(c), Occupations Code, as follows:

(c) Creates an exception under this subsection to the prohibition of the board filing a complaint alleging a violation of this chapter (Sale or Lease of Motor Vehicles) or a board rule relating to advertising until the board takes certain actions. Authorizes the board, if the board has previously given a license holder notice and an opportunity to cure any violation of this chapter or a board rule relating to advertising as provided by this subsection, to file a complaint alleging a subsequent violation of this chapter or a board rule relating to advertising after the board has notified the license holder involved of the alleged violation.

SECTION 2.02. Amends Section 2301.251(a), Occupations Code, to remove a representative from the roles that a person is prohibited from engaging in business as, serving in capacity of, or acting as, unless that person holds a license issued under this chapter authorizing the activity.

SECTION 2.03. Amends Section 2301.258, Occupations Code, as follows:

Sec. 2301.258. New heading: GENERAL REQUIREMENTS FOR APPLICATION FOR MANUFACTURER'S, DISTRIBUTOR'S, OR CONVERTER'S LICENSE. Deletes existing text relating to a representative's license and makes nonsubstantive changes.

SECTION 2.04. Amends Section 2301.264(a), Occupations Code, as follows:

(a) Provides that the annual fees for a license issued under this chapter are:

(1)–(2) makes no changes to these subdivisions;

(3) redesignates existing Subdivision (4) as this subdivision and deletes existing text relating to the fee for a representative;

(4)–(5) makes nonsubstantive changes.

SECTION 2.05. Amends Section 2301.304, Occupations Code, as follows:

Sec. 2301.304. PROCEDURE FOR RENEWAL OF CERTAIN LICENSES. Deletes existing text relating to the renewal of a representative's license and makes nonsubstantive changes.

SECTION 2.06. Amends Section 2301.358(c), Occupations Code, as follows:

(c) Provides that this section does not prohibit the sale of a towable recreational vehicle, motor home, ambulance, fire-fighting vehicle, or tow truck at a show or exhibition if the sale is not otherwise prohibited by law, rather than if the show or exhibition is approved by TxDMV and the sale is not otherwise prohibited by law.

SECTION 2.07. Amends Section 2301.709, Occupations Code, by adding Subsection (d), as follows:

(d) Requires the board to adopt rules and policies that establish standards for reviewing a case under this subchapter. Requires the rules and policies to:

(1) specify the role of division personnel in managing contested cases before the board or a person delegated power from the board under Section 2301.154 (Delegation of Powers), including advising on procedural matters;

(2) specify appropriate conduct and discussion by the board or a person delegated power from the board under Section 2301.154 regarding proposals for decision issued by administrative law judges;

(3) specify clear expectations limiting arguments and discussion under Subsection (b) to evidence in the record of the contested case hearing held by the administrative law judge;

(4) address ex parte communications; and

(5) distinguish between using industry expertise and representing or advocating for an industry when reviewing a case under this subchapter.

SECTION 2.08. Amends Subchapter Q, Chapter 2301, Occupations Code, by adding Section 2301.807, as follows:

Sec. 2301.807. REFUND. Authorizes the board, if the board determines that a person is violating or has violated this chapter or a rule adopted or order issued under this chapter, after a proceeding under this chapter and board rules, to order the person to pay a refund to the buyer or lessee of the motor vehicle that is the subject of the proceeding.

SECTION 2.09. Amends Section 2302.101, Occupations Code, as follows:

Sec. 2302.101. New heading: SALVAGE VEHICLE DEALER LICENSE. (a) Creates this subsection from existing text and makes no further changes to this subsection.

(b) Authorizes a person who holds a salvage vehicle dealer license issued under this chapter (Salvage Vehicle Dealers) to perform any of the activities of a salvage vehicle dealer, including:

(1) buying or selling salvage motor vehicles and nonrepairable motor vehicles that have not been the subject of a retail sale;

(2) buying or selling salvage motor vehicles and nonrepairable motor vehicles that have been the subject of a retail sale;

(3) engaging in the business of selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction;

(4) offering or negotiating to sell or buy salvage motor vehicles or nonrepairable motor vehicles owned by a license holder and to be purchased or sold by another license holder;

(5) acting as the agent or representative of a license holder in performing an act described by Subdivision (4); and

(6) acquiring and repairing, rebuilding, or reconstructing for operation on a public highway more than five salvage motor vehicles in a calendar year.

SECTION 2.10. Amends Section 2302.103, Occupations Code, as follows:

Sec. 2302.103. APPLICATION FOR SALVAGE VEHICLE DEALER LICENSE. Deletes existing Subdivision (b) relating to applying for a salvage vehicle dealer license with an endorsement in certain qualifications and makes a nonsubstantive change.

SECTION 2.11. Amends Section 2302.151, Occupations Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that a license issued under this chapter is valid for the period prescribed by the board, rather than providing that a license issued under this chapter expires on the first anniversary of the date of issuance.

(c) Requires the board to prorate the applicable fee required under this chapter as necessary to reflect the term of the license if the board prescribes the term of a license under this chapter for a period other than one year.

SECTION 2.12. Amends Section 2302.351(b), Occupations Code, to delete existing text including a salvage vehicle agent operating under a salvage vehicle dealer's license among those entities whose conviction for more than one offense under Section 2302.353(a) (relating to an offense for knowingly violating a provision of Chapter 2302 (Salvage Vehicle Dealers) other than Subchapter G (Motor Vehicle Salvage Yards in Certain Counties)) authorizes the district attorney for a county in which the dealer's salvage business is located to bring an action to enjoin the salvage vehicle dealer's business operations for a certain period.

SECTION 2.13. Amends Subchapter H, Chapter 2302, Occupations Code, by adding Section 2302.355, as follows:

Sec. 2302.355. CEASE AND DESIST ORDER. Authorizes the board, if it appears to the board that a person who is not licensed under this chapter is violating this chapter or a rule or order adopted under this chapter, after notice and opportunity for a hearing, to issue a cease and desist order prohibiting the person from engaging in the activity.

SECTION 2.14. Amends Subchapter F, Chapter 643, Transportation Code, by adding Section 643.257, as follows:

Sec. 643.257. REFUND BY MOTOR CARRIERS TRANSPORTING HOUSEHOLD GOODS. Authorizes TxDMV to order a motor carrier that violates this chapter (Motor Carrier Registration) or a rule or order adopted under this chapter to pay a refund to a consumer who paid the motor carrier to transport household goods.

SECTION 2.15. Repealer: Section 2301.264(c) (relating to authorizing TxDMV to prorate the fee for a representative's license to allow that license to expire on the same day as the license of the manufacturer or distributor who employs the representative), Occupations Code.

Repealer: Section 2301.358(a) (relating to persons holding a license under Chapter 2301 being prohibited from participating in a new motor vehicle show or exhibition and certain exceptions), Occupations Code.

Repealer: Section 2302.001(6) (relating to the definition of a "salvage vehicle agent"), 2302.102 (Salvage Vehicle Dealer License Classification), Occupations Code.

Repealer: Section 2302.107 (Salvage Vehicle Agent License), Occupations Code.

SECTION 2.16. (a) Provides that the changes in law made by this Act to Chapters 2301 and 2302, Occupations Code, do not affect the validity of a proceeding pending before a court or other governmental entity on the effective date of this Act.

(b) Makes application of this Act prospective. Provides that for purposes of this subsection an offense or violation was committed before the effective date of this Act if any element of the offense or violation occurred before that date.

(c) Provides that on the effective date of this Act, a representative's license issued under Chapter 2301, Occupations Code, as that law existed immediately before the effective date of this Act, expires.

(d) Provides that on the effective date of this Act, a salvage vehicle agent license issued under former Section 2302.107, Occupations Code, expires.

(e) Makes application of Section 2302.151(a), Occupations Code, as amended by this Act, prospective.

ARTICLE 3. REGISTRATION AND TITLING

SECTION 3.01. Amends Section 520.004, Transportation Code, as follows:

Sec. 520.004. DEPARTMENT RESPONSIBILITIES. Requires TxDMV by rule:

(1) makes no changes to this subdivision;

(2)–(3) makes nonsubstantive changes to these subdivisions; and

(4) to establish a risk-based system of monitoring and preventing fraudulent activity related to vehicle registration and titling in order to efficiently allocate resources and personnel.

SECTION 3.02. Amends Section 520.005, Transportation Code, by adding Subsection (e), as follows:

(e) Requires each county assessor-collector to make available to motor vehicle dealers the electronic system designed by TxDMV that allows a motor vehicle dealer to submit a title and registration application online in the name of the purchaser of a motor vehicle.

SECTION 3.03. Amends Subchapter A, Chapter 520, Transportation Code, by adding Sections 520.0075, 520.010, and 520.011, as follows:

Sec. 520.0075. CONTRACTING STANDARDS FOR TAX ASSESSOR-COLLECTOR.

(a) Defines "deputy" for purposes of this section.

(b) Requires a county tax assessor-collector who awards a contract to a deputy for the performance of registration and titling services, notwithstanding Section 262.023 (Competitive Requirements for Certain Purchases), Local Government Code, to comply with standard state contracting practices as if the county tax assessor-collector were a state agency, including requirements related to:

(1) purchase methods and competitive bidding under Sections 2155.062 (Purchase Methods) and 2155.063 (Competitive Bidding Requirement), Government Code;

(2) determining the best value for the county under Sections 2155.074 (Best Value Standard for Purchase of Goods or Services), 2155.075 (Requirement to Specify Value Factors in Request for Bids or Proposals), and 2155.0755 (Verification of Use of Best Value Standard), Government Code;

(3) contracting standards and oversight under Chapter 2261 (State Contracting Standards and Oversight), Government Code; and

(4) contract management under Chapter 2262 (Statewide Contract Management), Government Code.

(c) Requires a contract described by Subsection (b) to specify an expiration date and renewal or extension terms for the contract and to include performance criteria and measures necessary to evaluate the performance of the deputy under the contract.

(d) Requires a county tax assessor-collector to monitor and evaluate the performance of a deputy awarded a contract described by this section and use that information in determining whether to renew or extend the contract or award a new contract.

Sec. 520.010. AUDIT AND INVESTIGATION RELATED TO REGISTRATION AND TITLING SERVICES. (a) Authorizes TxDMV to audit or perform a compliance review of a person performing registration or titling services, investigate any provision of state functions related to registration or titling, and access any records needed to conduct the audit, compliance review, or investigation.

(b) Authorizes a county tax assessor-collector to audit, perform a compliance review of, or investigate a person providing registration or titling services in the county in which the assessor-collector is located, and to access any records needed to conduct the audit, compliance review, or investigation.

(c) Provides that TxDMV's authority under Subsection (a) is not limited by a similar audit, compliance review, or investigation conducted by a county tax assessor-collector under Subsection (b).

Sec. 520.011. AUDIT OF COUNTY TAX ASSESSOR-COLLECTOR. Authorizes the comptroller of public accounts of the State of Texas (comptroller), in coordination with TxDMV, to include, as part of the comptroller's regular audits of state revenue collection by county tax assessor-collector offices, the review of processes relating to a county's collection and remittance of revenue included in an audit.

SECTION 3.04. Amends Chapter 520, Transportation Code, by adding Subchapter C, as follows:

SUBCHAPTER C. AUTOMATED REGISTRATION AND TITLING SYSTEM

Sec. 520.021. RULES AND POLICIES. Authorizes TxDMV to adopt rules and policies for the maintenance and use of TxDMV's automated registration and titling system.

Sec. 520.022. ACCESS TO SYSTEM. Provides that TxDMV has the sole authority to determine access to TxDMV's automated registration and titling system.

Sec. 520.023. TRAINING. (a) Requires TxDMV to implement a training program providing information on TxDMV's automated registration and titling system and identification of fraudulent activity related to vehicle registration and titling.

(b) Requires TxDMV to require a person performing registration or titling services to complete the training under Subsection (a).

SECTION 3.05. Requires that each county tax assessor-collector who has, before the effective date of this Act, entered into a contract described by Section 520.0075, Transportation Code, as added by this Act, to rebid the contract using the contracting standards provided under that section not later than December 1, 2019.

SECTION 3.06. Requires TxDMV to adopt rules to implement the training program required by Section 520.023, Transportation Code, as added by this Act, not later than December 1, 2019.

SECTION 3.07. Requires TxDMV, in coordination with county tax assessor-collectors and in accordance with Subchapter C, Chapter 520, Transportation Code, as added by this Act, to develop, adopt, and implement rules that create clear criteria for the suspension or denial of access to the TxDMV's automated registration and titling system if a county tax assessor-collector suspects abuse, fraud, or waste relating to the system by an employee of the assessor-collector's or a deputy as defined by Section 520.0075(a), Transportation Code, as added by this Act, not later than March 1, 2020.

SECTION 3.08. Requires each county tax assessor-collector to make available the electronic system to motor vehicle dealers as required by Section 520.005(e), Transportation Code, as added by this Act, not later than September 1, 2020.

ARTICLE 4. MOTOR VEHICLE CRIME PREVENTION AUTHORITY

SECTION 4.01. Amends Subtitle M, Title 7, Transportation Code, by adding Chapter 1006 and adding a heading to that chapter, to read as follows:

CHAPTER 1006. MOTOR VEHICLE CRIME PREVENTION AUTHORITY

SECTION 4.02. Amends Chapter 1006, Transportation Code, as added by this Act, by adding Subchapter A and adding a heading to that subchapter, as follows:

SUBCHAPTER A. GENERAL PROVISIONS

SECTION 4.03. Transfers Section 1, Article 4413(37), Revised Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B. 3225), Acts of the 80th Legislature, Regular Session, 2007, to Subchapter A, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.001, Transportation Code, reenacts it, and amends it as follows:

Sec. 1006.001. DEFINITIONS. Defines for purposes of this chapter, rather than this article:

- (1) "Authority" to mean the Motor Vehicle Crime Prevention Authority, rather than the Automobile Burglary and Theft Prevention Authority;
- (2) Makes no changes to this subdivision;
- (3) "Insurer" to mean any insurance company writing any form of motor vehicle insurance in this state, including an interinsurance or reciprocal exchange, mutual company, mutual association, or Lloyd's plan. Deletes existing text defining "department."
- (4) Deletes existing text defining "director." Redesignates existing Subdivision (5) of this section and makes no further changes to this subdivision.
- (5) "Motor vehicle burglary or theft" to include economic motor vehicle theft.

SECTION 4.04. Transfers Section 2, Article 4413(37), Revised Statutes, to Subchapter A, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.002, Transportation Code, and amends it as follows:

Sec. 1006.002. ESTABLISHMENT. Provides that the Motor Vehicle Crime Prevention Authority (authority), rather than the Automobile Burglary and Theft Prevention Authority, is established in TxDMV. Provides that the authority is not an advisory body to TxDMV and makes nonsubstantive changes.

SECTION 4.05. Amends Chapter 1006, Transportation Code, as added by this Act, by adding Subchapter B and adding a heading to that subchapter to read as follows:

SUBCHAPTER B. COMPOSITION AND ADMINISTRATION

SECTION 4.06. Transfers Sections 3(a), (b), (c), (d), (i), (j), and (k), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Sections 1006.051 and 1006.052, Transportation Code, and amends them as follows:

Sec. 1006.051. AUTHORITY MEMBERSHIP. (a)-(b) Makes no changes to these subsections.

(c) Provides that the public safety director of the Department of Public Safety of the State of Texas (DPS), rather than the director of DPS, or the public safety director's designee serves ex officio as the seventh member of the authority.

(d) Makes no changes to this subsection.

Sec. 1006.052. ELIGIBILITY RESTRICTIONS. (a) Makes conforming and nonsubstantive changes and provides that a person is not eligible for appointment as a representative of motor vehicle insurance consumers under Section 1006.051(b)(1) if the person or the person's spouse:

(1)–(3) Makes no changes to these subdivisions;

(4) Makes a nonsubstantive change to this subdivision;

(5) Makes no change to this subdivision.

(b) Makes conforming and nonsubstantive changes.

(c) Deletes existing text prohibiting a person from acting as general counsel to the authority if the person is required to register as a lobbyist under Chapter 305 (Registration of Lobbyists), Government Code, because of the person's activities for compensation on behalf of a profession related to motor vehicle insurance or law enforcement. Makes conforming and nonsubstantive changes.

SECTION 4.07. Transfers Section 3(e), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.053, Transportation Code, and amends it as follows:

Sec. 1006.053. TERM OF OFFICE; VACANCY. (a) Makes a conforming change.

(b) Creates this subsection from existing text and makes no further changes to this subsection.

SECTION 4.08. Transfers Section 5(a), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.054, Transportation Code, and amends it as follows:

Sec. 1006.054. PRESIDING OFFICER. Makes a conforming change.

SECTION 4.09. Transfers Sections 3(f), (g), (h), and (l), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Sections 1006.055 and 1006.056, Transportation Code, and amends them as follows:

Sec. 1006.055. GROUNDS FOR REMOVAL. (a) and (b) Makes conforming and nonsubstantive changes.

(c) Requires the executive director of TxDMV (executive director), if the executive director has knowledge that a potential ground for removal exists, to notify the presiding officer of the authority of the potential ground. Requires the executive director, if the potential ground for removal involves the presiding officer, to notify the next highest officer of the authority, who is required to take certain actions.

Sec. 1006.056. INFORMATION ON QUALIFICATIONS AND CONDUCT. Requires the executive director or the executive director's designee to provide to members of the authority, as often as necessary, certain information regarding the members. Makes conforming and nonsubstantive changes.

SECTION 4.10. Transfers Sections 5(c), (d), and (e), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Section 1006.057, Transportation Code, and amends them as follows:

Sec. 1006.057. MEMBER TRAINING. (a) Prohibits a person who is appointed to and qualifies for office as a member of the authority from voting, deliberating, or being counted as a member in attendance at a meeting of the authority until the person completes a training program that complies with this section, rather than requiring a person appointed to the authority to complete at least one course of a training program that complies with Subsection (d) to be eligible to take office as a member of the authority. Makes a conforming change.

(b) Redesignates existing Subsection (d) as this subsection. Makes conforming changes and nonsubstantive changes. Requires the training program to provide the person with information regarding:

(1) the law governing authority operations, rather than the enabling legislation that created the authority and its policymaking body to which the member is appointed to serve;

(2) the programs, functions, rules, and budget of the authority, rather than the programs operated by the authority;

(3) the scope of and limitations on the rulemaking authority of the authority, rather than the role and functions of the authority;

(4) deletes existing text relating to the rules of the authority and TxDMV, deletes existing Subdivision (5), and redesignates existing Subdivision (6) as this subdivision and redesignates existing Subdivision (7) as Subdivision (5);

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest, rather than open meetings law, Chapter 551, Government Code, open records law, Chapter 552, Government Code, and administrative procedure law, Chapter 2001, Government Code; and

(B) other laws applicable to members of the authority in performing their duties; and

(6) Redesignates existing Subdivision (9) as this subdivision and makes no further changes to this subdivision.

(c) Makes a conforming change. Provides that a person appointed to the authority is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program, regardless of whether the attendance at the program occurs before or after the person qualifies for office, rather than being entitled to reimbursement for travel expenses incurred in attending the training program required by Subsection (c) as provided by the General Appropriations Act and as if the person were a member of the authority.

(d) Requires the executive director to create a training manual that includes the information required by Subsection (b). Requires the executive director to distribute a copy of the training manual annually to each member of the authority. Requires each member of the authority, on receipt of the training manual, to sign and submit to the executive director a statement acknowledging receipt of the training manual.

SECTION 4.11. Transfers Section 4, Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.058, Transportation Code, and amends it as follows:

Sec. 1006.058. New heading: REIMBURSEMENT FOR EXPENSES. Provides that a member of the authority is not entitled to compensation for service on the authority, rather than is not entitled to compensation. Makes conforming and nonsubstantive changes.

SECTION 4.12. Transfers Sections 6(e), (f), and (g), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Sections 1006.059 and 1006.060, Transportation Code, and amends them as follows:

Sec. 1006.059. PERSONNEL AND SERVICES. (a) Deletes existing text providing that certain services authorized to be provided by or through TxDMV to the authority are not limited to those listed services. Deletes existing text authorizing the authority to enter into contracts in its own name and on its own behalf with recipients of grants for purposes of this article, except as provided by this section. Makes conforming and nonsubstantive changes.

(b) Makes a conforming change.

Sec. 1006.060. DIVISION OF RESPONSIBILITIES. Makes a conforming change.

SECTION 4.13. Transfers Section 5(b), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.061, Transportation Code, and amends it as follows:

Sec. 1006.061. MEETINGS. Makes a conforming change and requires the authority to meet at the call of the presiding officer, rather than the chairman, or at the call of four members.

SECTION 4.14. Transfers Section 6(h), Article 4413(37), Revised Statutes, to Subchapter B, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.062, Transportation Code, and amends it as follows:

Sec. 1006.062. PUBLIC TESTIMONY. Makes conforming and nonsubstantive changes.

SECTION 4.15. Amends Subchapter B, Chapter 1006, Transportation Code, as added by this Act, by adding Section 1006.063, as follows:

Sec. 1006.063. LOBBYIST PROHIBITION: GENERAL COUNSEL. Prohibits a person from acting as the general counsel to the authority if the person is required to register as a lobbyist under Chapter 305 (Registration of Lobbyists), Government Code, because of the person's activities for compensation on behalf of a profession related to motor vehicle insurance or law enforcement.

SECTION 4.16. Amends Chapter 1006, Transportation Code, as added by this Act, by adding Subchapter C and adding a heading to that subchapter as follows:

SUBCHAPTER C. POWERS AND DUTIES

SECTION 4.17. Transfers Sections 6(a), (b), (c), and (d), Article 4413(37), Revised Statutes, to Subchapter C, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Section 1006.101, Transportation Code, and amends them as follows:

Sec. 1006.101. GENERAL POWERS AND DUTIES. (a) Makes a nonsubstantive change.

(b) Makes no change to this subsection.

(c) and (d) Makes nonsubstantive changes.

SECTION 4.18. Transfers Section 7, Article 4413(37), Revised Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B. 3225), Acts of the 80th Legislature, Regular Session, 2007, to Subchapter C, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.102, Transportation Code, reenacts it, and amends it as follows:

Sec. 1006.102. PLAN OF OPERATION. (a) Makes conforming and nonsubstantive changes.

(b) Requires the authority's plan of operation to include:

(1) an assessment of the scope of the problems of motor vehicle burglary or theft and fraud-related motor vehicle crime, rather than of motor vehicle burglary or theft and economic motor vehicle theft, including particular areas of the state where the problems are greatest;

(2) an analysis of various methods of combating the problems of motor vehicle burglary or theft and fraud-related motor vehicle crime, rather than of motor vehicle burglary or theft and economic motor vehicle theft;

(3) a plan for providing financial support to combat motor vehicle burglary or theft and fraud-related motor vehicle crime, rather than of motor vehicle burglary or theft and economic motor vehicle theft; and

(4) Makes no change to this subdivision.

SECTION 4.19. Transfers Section 12, Article 4413(37), Revised Statutes, to Subchapter C, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.103, Transportation Code, and amends it as follows:

Sec. 1006.103. ADVISORY COMMITTEES. (a) Makes conforming and nonsubstantive changes.

(b) and (c) Makes no changes to these subsections.

SECTION 4.20. Amends Chapter 1006, Transportation Code, as added by this Act, by adding Subchapter D, and adding a heading, as follows:

SUBCHAPTER D. FINANCIAL PROVISIONS

SECTION 4.21. Transfers Sections 6(j) and (k), Article 4413(37), Revised Statutes, to Subchapter D, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Section 1006.151, Transportation Code, and amends them as follows:

Sec. 1006.151. GRANTS. (a) Authorizes the authority to enter into contracts in the authority's own name and on the authority's own behalf with recipients of grants for purposes of this chapter, subject to the requirements of this section.

(b) Makes a conforming change. Requires the authority to:

(1) develop and periodically update, rather than develop and use, standard performance measures for each category of grants provided by the authority for use in assessing grantee success in achieving the purposes of this chapter; and

(2) ensure that grants are used to help increase:

(A) makes no changes to this paragraph;

(B) the clearance rate of motor vehicle burglaries and thefts and fraud-related motor vehicle crimes; and

(C) the number of persons arrest for motor vehicle burglary and theft and fraud-related motor vehicle crime, rather than the number of persons arrest for motor vehicle burglary and theft.

(c) Includes the number of fraud-related motor vehicle crimes committed in the state among the factors used by the authority to allocate grant funds.

(d) Requires the authority, in consultation with TxDMV, to annually update the performance measures developed under Subsection (b).

SECTION 4.22. Transfers Sections 6A and 10, Article 4413(37), Revised Statutes, to Subchapter D, Chapter 1006, Transportation Code, as added by this Act, redesignates them as Sections 1006.152 and 1006.153, Transportation Code, and amends them as follows:

Sec. 1006.152. New heading: REFUNDS. (a) Makes conforming and nonsubstantive changes.

(b) Authorizes, pursuant to a determination made under Subsection (a), the authority to:

(1) Makes no change to this subdivision; and

(2) Makes a nonsubstantive change.

(c) Requires the authority to make the determination under this section, rather than under Subsection (b) of this section. Makes a nonsubstantive change.

(d) Makes nonsubstantive changes.

(e) Deletes existing text creating an exception under Subsection (f) to the requirement that a request for refund made under this section be made not later than four years after the date the payment was made to the authority under Section 1006.153. Makes a conforming change.

Sec. 1006.153. New heading: FEE IMPOSED ON INSURER. (a) Makes nonsubstantive and conforming changes. Deletes existing text defining "insurer."

(b) Requires the fee to be paid not later than:

(1) and (2) Makes nonsubstantive changes to these subdivisions.

(c) Makes no change to this subsection.

(d) Requires the authority to notify the Texas Department of Insurance (TDI), rather than the State Board of Insurance, of any insurer that fails to pay the fee required by this section, and authorizes TDI to for that reason revoke the insurer's certificate of authority.

(e) Makes a conforming change.

SECTION 4.23. Transfers Section 8, Article 4413(37), Revised Statutes, as amended by Chapters 308 (H.B. 1887) and 927 (H.B. 3225), Acts of the 80th Legislature, Regular Session, 2007, to Subchapter D, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.154, Transportation Code, reenacts it, and amends it as follows:

Sec. 1006.154. USE OF APPROPRIATED FUNDS. (a) Makes conforming changes. Requires money appropriated to TxDMV for authority purposes to be used by the authority to pay TxDMV for administrative costs and to achieve the purposes of this chapter, including:

(1) Deletes existing text including establishing and funding the motor vehicle registration program required by Section 9 of this article. Redesignates existing Subdivision (2) as this subdivision and amends it to include providing financial support to law enforcement agencies for fraud-related motor vehicle crime enforcement teams. Redesignates existing Subdivisions (3)–(6) as Subdivisions (2)–(5);

(2) providing financial support to law enforcement agencies local prosecutors, judicial agencies, and neighborhood, community, business, and nonprofit organizations for programs designed to reduce the incidence of economic motor vehicle theft and fraud-related motor vehicle crime, rather than reduce the incidence of economic motor vehicle theft;

(3) conducting educational programs designed to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime, rather than preventing motor vehicle burglary or theft;

(4) and (5) Makes no changes to these subdivisions.

(b) and (c) Makes no change to these subsections.

SECTION 4.24. Transfers Section 6(i), Article 4413(37), Revised Statutes, to Subchapter D, Chapter 1006, Transportation Code, as added by this Act, redesignates it as Section 1006.155, Transportation Code, and amends it as follows:

Sec. 1006.155. ANNUAL FINANCIAL REPORT. Makes conforming and nonsubstantive changes.

SECTION 4.25. Amends Section 981.073(b), Insurance Code, as follows:

(b) Provides that a domestic surplus lines insurer is not subject to:

(1)–(9) makes no changes to these subdivisions;

(10) makes a conforming change.

SECTION 4.26. Amends Section 201.805(a), Transportation Code, as follows:

(a) Requires TxDMV to annually publish in appropriate media and on TxDMV's Internet website in a format that allows the information to be read into a commercially available electronic database a statistical comparison of TxDMV districts and the following information, calculated on a per capita basis considering the most recent census data and listed for each county and for the state for each fiscal year:

(1)–(8) makes no changes to these subdivisions;

(9) information regarding grant programs, including:

(A) Motor Vehicle Crime Prevention Authority grants, rather than Automobile Theft Prevention Authority grants;

(B)–(E) makes no changes to these paragraphs;

(10)–(15) makes no changes to these subdivisions.

SECTION 4.27. Amends Section 1001.151(c), Transportation Code, as follows:

(c) Prohibits money appropriated to TxDMV for Motor Vehicle Crime Prevention Authority purposes, rather than for Automobile Burglary and Theft Prevention Authority purposes, and other revenue collected or received by the Motor Vehicle Crime Prevention Authority, rather than by the Automobile Burglary and Theft Prevention Authority, from being deposited into the fund.

SECTION 4.28. Repealer: Section 9 (Motor Vehicle Registration Program), Article 4413(37), Revised Statutes.

Repealer: Section 11 (Performance Review), Article 4413(37), Revised Statutes.

Repealer: heading to Section 3 (Report Contents), Article 4413(37), Revised Statutes.

Repealer: heading to Section 5 (Effect of Act), Article 4413(37), Revised Statutes.

Repealer: heading to Section 6 (Powers and Duties), Article 4413(37), Revised Statutes.

Repealer: heading to Article 4413(37) (Automobile Burglary and Theft Prevention Authority), Revised Statutes.

SECTION 4.29. (a) Provides that Section 1006.057, Transportation Code, as transferred, redesignated, and amended by this Act, applies to a person who is appointed before, on, or after the effective date of this Act to the Automobile Burglary and Theft Prevention Authority or Motor Vehicle Crime Prevention Authority, as applicable, except as provided by Subsection (b) of this section.

(b) Provides that a member of the Motor Vehicle Crime Prevention Authority who, before the effective date of this Act, completed the training program required by Sections 5(c), (d), and (e), Article 4413(37), Revised Statutes, as that law existed before the effective date of this Act, is required to complete additional training only on subjects added by this Act to the training program as required by Section 1006.057, Transportation Code, as transferred, redesignated, and amended by this Act. Prohibits a board member described by this subsection from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2019, until the member completes the additional training.

SECTION 4.30. (a) Provides that on the effective date of this Act:

(1) the name of the Automobile Burglary and Theft Prevention Authority is changed to the Motor Vehicle Crime Prevention Authority, and all powers, duties, rights, and obligations of the Automobile Burglary and Theft Prevention Authority are the powers, duties, rights, and obligations of the Motor Vehicle Crime Prevention Authority;

(2) a member of the Automobile Burglary and Theft Prevention Authority is a member of the Motor Vehicle Crime Prevention Authority; and

(3) any appropriation for the Automobile Burglary and Theft Prevention Authority is an appropriation for the Motor Vehicle Crime Prevention Authority.

(b) Provides that on and after the effective date of this Act, a reference in law to the Automobile Burglary and Theft Prevention Authority is a reference to the Motor Vehicle Crime Prevention Authority.

(c) Provides that the Motor Vehicle Crime Prevention Authority is the authority formerly known as the Automobile Burglary and Theft Prevention Authority in all respects. Provides that all personnel, equipment, data, documents, facilities, contracts, items, other

property, rules, decisions, and proceedings of or involving the Automobile Burglary and Theft Prevention Authority are unaffected by the change in the name of the authority.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. Effective date: September 1, 2019.