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By:  Lucio III H.B. No. 3737

Substitute the following for H.B. No. 3737:

By:  Lucio III C.S.H.B. No. 3737

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the financial responsibility verification program.

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

SECTION 1.  Sections 502.357(b), (c), and (d), Transportation Code, are amended to read as follows:

(b)  Fees collected under this section shall be deposited to the credit of the state highway fund except that the comptroller shall provide for a portion of the fees to be deposited first to the credit of a special fund in the state treasury outside the general revenue fund to be known as the TexasSure Fund in a total amount that is necessary to cover the total amount appropriated to the department [~~Texas Department of Insurance~~] from that fund and for the remaining fees to be deposited to the state highway fund. Subject to appropriations, the money deposited to the credit of the state highway fund under this section may be used by the Department of Public Safety to:

(1)  support the Department of Public Safety's reengineering of the driver's license system to provide for the issuance by the Department of Public Safety of a driver's license or personal identification certificate, to include use of image comparison technology;

(2)  establish and maintain a system to support the driver responsibility program under Chapter 708; and

(3)  make lease payments to the master lease purchase program for the financing of the driver's license reengineering project.

(c)  Subject to appropriation, fees collected under this section may be used by the Department of Public Safety, [~~the Texas Department of Insurance,~~] the Department of Information Resources, and the department to carry out Subchapter N, Chapter 601.

(d)  The Department of Public Safety, [~~the Texas Department of Insurance,~~] the Department of Information Resources, and the department shall jointly adopt rules and develop forms necessary to administer this section.

SECTION 2.  Section 601.451, Transportation Code, is amended to read as follows:

Sec. 601.451.  DEFINITION. In this subchapter, "implementing agencies" means:

(1)  the department;

(2)  the Texas Department of Motor Vehicles; and

(3)  [~~the Texas Department of Insurance; and~~

[~~(4)~~]  the Department of Information Resources.

SECTION 3.  Section 601.452(a), Transportation Code, is amended to read as follows:

(a)  The Texas Department of Motor Vehicles [~~Insurance~~] in consultation with the other implementing agencies shall establish a program for verification of whether owners of motor vehicles have established financial responsibility. The program established must be:

(1)  the program most likely to:

(A)  reduce the number of uninsured motorists in this state;

(B)  operate reliably;

(C)  be cost-effective;

(D)  sufficiently protect the privacy of the motor vehicle owners;

(E)  sufficiently safeguard the security and integrity of information provided by insurance companies;

(F)  identify and employ a method of compliance that improves public convenience; and

(G)  provide information that is accurate and current; and

(2)  capable of being audited by an independent auditor.

SECTION 4.  Section 601.453(a), Transportation Code, is amended to read as follows:

(a)  The Texas Department of Motor Vehicles [~~Insurance~~] in consultation with the other implementing agencies, under a competitive bidding procedure, shall select an agent to develop, implement, operate, and maintain the program.

SECTION 5.  Subchapter N, Chapter 601, Transportation Code, is amended by adding Section 601.455 to read as follows:

Sec. 601.455.  ENFORCEMENT. The commissioner of insurance may, after notice and opportunity for hearing, take any action authorized under Chapters 82, 83, and 84, Insurance Code, or any other applicable law, against an insurance company that provides motor vehicle liability insurance policies in this state if the commissioner of insurance determines that the insurance company is in violation of or has failed to comply with Section 601.454 or rules adopted under this subchapter.

SECTION 6.  Not later than January 1, 2020, the following are transferred from the Texas Department of Insurance to the Texas Department of Motor Vehicles:

(1)  the powers, duties, functions, and activities of the Texas Department of Insurance relating to the establishment and operation of the financial responsibility verification program under Subchapter N, Chapter 601, Transportation Code;

(2)  any obligations and contracts of the Texas Department of Insurance that are directly related to implementing a power, duty, function, or activity transferred under this section; and

(3)  all property and records in the custody of the Texas Department of Insurance that are related to a power, duty, function, or activity transferred under this section and all funds appropriated by the legislature for that power, duty, function, or activity.

SECTION 7.  Not later than the 60th day after the effective date of this Act, the Texas Department of Insurance and the Texas Department of Motor Vehicles shall enter into a memorandum of understanding that establishes a plan for the identification and transfer of the records, property, and unspent appropriations of the Texas Department of Insurance that are used for purposes of the department's powers and duties directly related to the establishment and operation of the financial responsibility verification program under Subchapter N, Chapter 601, Transportation Code.

SECTION 8.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.