

BILL ANALYSIS

Senate Research Center

S.B. 1932
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Economic Development
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As Filed

DIGEST

Currently, a driver in Texas is required to have proof of financial responsibility. Approximately 25 percent of Texas drivers do not comply with the law even though the legislature has increased penalties for failure to comply and required proof of financial responsibility to renew a driver's license, and register and inspect a vehicle. This bill will provide regulations for the maintenance of information about motor vehicle liability insurance coverage and provide administrative penalties.

PURPOSE

As proposed, S.B. 1932 provides regulations for the maintenance of information about motor vehicle liability insurance coverage and provides administrative penalties.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Department of Public Safety in SECTION 1 (Section 601.511, Transportation Code) and the Public Safety Commission in SECTION 5(c) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 601, Transportation Code, by adding Subchapter N, as follows:

SUBCHAPTER N. UNINSURED MOTORIST IDENTIFICATION DATABASE PROGRAM; INSURER REPORTING REQUIREMENTS

Sec. 601.501. DEFINITIONS. Defines "database," "designated agent," and "program."

Sec. 601.502. UNINSURED MOTORIST IDENTIFICATION DATABASE PROGRAM. Requires the Department of Public Safety (DPS) to establish an uninsured motorist identification database program under this subchapter. Requires the program to be administered by the designated agent under the direction of DPS.

Sec. 601.503. DESIGNATED AGENCY. Sets forth regulations regarding the designated agent to be appointed under this subchapter.

Sec. 601.504. DATABASE. Sets forth regulations regarding the uninsured motorist identification database (database).

Sec. 601.505. PROVISION OF INFORMATION TO THE DESIGNATED AGENT BY INSURANCE COMPANIES. Sets forth regulations regarding the provision of information to the designated agency by insurance companies authorized to write motor vehicle liability insurance.

Sec. 601.506. DEPARTMENT INFORMATION. Sets forth information to be obtained from DPS by the designated agent.

Sec. 601.507. TEXAS DEPARTMENT OF TRANSPORTATION INFORMATION. Sets forth information to be obtained from the Texas Department of Transportation by the designated agent.

Sec. 601.508. NOTICE OF POLICY TERMINATION. Requires an insurance company to notify DPS within a certain period of time of the termination of a motor vehicle liability insurance policy described by Section 601.505 issued by the insurance company.

Sec. 601.509. NOTICE OF LICENSE SUSPENSION FOR POLICY TERMINATION. Sets forth regulations regarding the suspension of a person's driver's license upon termination of the person's motor vehicle liability policy.

Sec. 601.510. DURATION OF SUSPENSION FOR POLICY TERMINATION. Sets forth regulations regarding the durations of suspension of a driver's license due to policy termination.

Sec. 601.511. RULES. Authorizes DPS to adopt rules to implement this subchapter.

Sec. 601.512. ADMINISTRATIVE PENALTIES FOR INSURANCE COMPANY. Provides that an insurance company that violates this subchapter is subject to administrative penalties under Article 1.10E, Insurance Code.

SECTION 2. Amends Chapter 502D, Transportation Code, by adding Section 502.1695, as follows:

Sec. 502.1695. UNINSURED MOTORIST IDENTIFICATION DATABASE FEE. Sets forth regulations regarding an uninsured motorist identification database fee.

SECTION 3. Amends Section 502.104, Transportation Code, to make a conforming change.

SECTION 4. Effective date: September 1, 1997.

SECTION 5. (a) Sets forth actions to be taken by DPS not later than September 1, 1998.

(b) Provides that, except as provided by Subsection (c) of this section, a motor vehicle insurance company is not required to provide information under Section 601.508, Transportation Code, as added by this Act, before September 1, 1998.

(c) Authorizes the Public Safety Commission, by rule, to designate, by market share, premium volume, or another similar characteristic, small motor vehicle insurance companies that are not required to report under Section 601.505, Transportation Code, as added by this Act, before September 1, 1999.

SECTION 6. Emergency clause.