

## **BILL ANALYSIS**

Senate Research Center  
81R9186 JD-F

S.B. 1097  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The TexasSure program, implemented in 2008, contains information about drivers and whether they have automobile insurance, and is available to law enforcement during traffic stops to verify that a person who has been stopped has the required insurance.

Currently, Section 601.051 (Requirement of Financial Responsibility), Transportation Code, requires a person, in order to drive an automobile, to prove that he or she has the requisite financial responsibility to do so, which can be demonstrated by maintaining adequate automobile insurance. Section 601.053 (Evidence of Financial Responsibility), Transportation Code, provides that a person who does not present evidence of financial responsibility when stopped by an officer is presumed to be in violation of Section 601.051. This remains true, even if the officer checks the TexasSure program and it shows that the driver does, in fact, maintain automobile insurance coverage.

Self-insured drivers, such as cab companies that own 26 or more vehicles and who can prove that they can pay a monetary amount to cover any damages to all of their vehicles, receive a card indicating their status from the Texas Department of Public Safety (DPS). However, this information is not contained in the TexasSure database, making the status of self-insured drivers unverifiable.

As proposed, S.B. 1097 amends current law to provide that a person who has insurance that can be verified through the TexasSure database, but does not have a physical proof of insurance is still in compliance with Section 601.051, Transportation Code. The bill transfers the function of processing and verifying applications for self-insured drivers from DPS to the Texas Department of Insurance (TDI), which already has responsibility for insurance regulation matters. The bill also authorizes the card issued by TDI to serve as evidence of financial responsibility for those classified as self-insured.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Department of Public Safety, the Texas Department of Transportation, the Texas Department of Insurance, and the Department of Information Resources is modified in SECTION 7 (Section 601.455, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 601.052(a), Transportation Code, to provide that Section 601.051 (Requirement of Financial Responsibility) does not apply to the operation of a motor vehicle for which the owner files with the Texas Department of Insurance (TDI), rather than the Department of Public Safety (DPS), an affidavit signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B).

SECTION 2. Amends Section 601.053, Transportation Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that except as provided by Subsection (c), an operator who does not exhibit evidence of financial responsibility under Subsection (a) is presumed to have operated the vehicle in violation of Section 601.051.

(c) Provides that Subsection (b) does not apply if the peace officer determines through use of the verification program established under Subchapter N (Database Interface System to Verify Financial Responsibility) that financial responsibility has been established for the vehicle.

SECTION 3. Amends Sections 601.121(a), (d), and (e), Transportation Code, as follows:

(a) Authorizes a person to establish financial responsibility by filing with TDI, rather than DPS, a bond that meets certain specifications. Makes nonsubstantive changes.

(d) Makes a conforming change.

(e) Makes a conforming change.

SECTION 4. Amends Section 601.122(c), Transportation Code, to prohibit the comptroller of public accounts from accepting the deposit and TDI, rather than DPS, from accepting the certificate unless the deposit or certificate is accompanied by evidence that an unsatisfied judgment of any character against the person making the deposit does not exist in the county in which the person making the deposit resides.

SECTION 5. Amends Section 601.123(c), Transportation Code, to require that the certificate stating that a deposit complying with this section has been made be acknowledge by the sheriff of that county and filed with TDI, rather than DPS.

SECTION 6. Amends Sections 601.124(a), (b), and (d), Transportation Code, as follows:

(a) Authorizes a person in whose name more than 25 motor vehicles are registered to qualify as a self-insurer by obtaining a certificate of self-insurance issued by TDI, rather than DPS, as provided by this section.

(b) Makes conforming and nonsubstantive changes.

(d) Makes a conforming change.

SECTION 7. Amends Subchapter N, Chapter 601, Transportation Code, as added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature, Regular Session, 2005, by adding Sections 601.455 and 601.456, as follows:

Sec. 601.455. EVIDENCE OF FINANCIAL RESPONSIBILITY PROVIDED BY ALTERNATE METHOD. (a) Provides that this section applies to a person that establishes financial responsibility under Section 601.121, 601.122, or 601.123; or qualifies as a self-insurer under Section 601.124.

(b) Requires a person subject to this section to provide the agent selected under Section 601.453 (Information Provided by Insurance Company; Privacy) with information regarding the financial responsibility established by the person or the person's qualification as a self-insurer as necessary for the agent to carry out this subchapter, subject to the agent's contract with the implementing agencies and rules adopted under this subchapter.

Sec. 601.456. CONFIDENTIALITY OF INFORMATION; PENALTY. (a) Provides that except as otherwise provided by this subchapter or another law of this state, information obtained by the agent under this subchapter is confidential. Authorizes the agent to use the information only as authorized under this subchapter and prohibits the agent from using the information for a commercial purpose.

(b) Provides that a person commits an offense if the person knowingly discloses or uses information obtained under this subchapter for a purpose that is not authorized under this subchapter or another law of this state.

(c) Provides that an offense under this section is a Class B misdemeanor.

SECTION 8. Effective date: September 1, 2009.