

## **BILL ANALYSIS**

Senate Research Center  
86R19772 AAF-F

H.B. 3737  
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Transportation  
5/14/2019  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

TexasSure, the financial responsibility verification program, derived when the 79th Texas Legislature directed the Texas Departments of Insurance (TDI), Public Safety (DPS), Motor Vehicles (TxDMV), and Information Resources (DIR) to develop a system to reduce the number of uninsured motorists. The TexasSure database is comprised of vehicle registration and insurance policy information, which allows law enforcement and county tax assessor-collectors' offices to confirm whether a vehicle in Texas has the required coverage under a personal auto policy.

Currently, TDI has primary responsibility for contact administration and program operation for TexasSure, and therefore devotes significant staff time and resources to program operations and maintenance to ensure the system meets DPS and TxDMV requirements and adjusts to their system changes. However, TDI is not a user of the TexasSure system nor does it provide data for the system.

In its 2018 biennial report, TDI recommends that the Texas Legislature move TexasSure oversight to a more appropriate agency such as TxDMV or DPS. Both agencies provide data to TexasSure system, are end-users of the system, and are required to verify financial responsibility. In respect to TDI's recommendation, H.B. 3737 designates TxDMV as the lead agency for the TexasSure program.

H.B. 3737 amends current law relating to the administration of the financial responsibility verification program.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 502.357(b), (c), and (d), Transportation Code, as follows:

(b) Requires fees collected under this section to be deposited to the credit of the state highway fund except that the comptroller of public accounts of the state of Texas is required to 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 Texas Department of Transportation (TxDoT), rather than the Texas Department of Insurance (TDI), from that fund and for the remaining fees to be deposited to the state highway fund. Makes no other changes to this subsection.

(c) Authorizes fees collected under this section, subject to appropriation, to be used by the Department of Public Safety (DPS), the Department of Information Resources (DIR), and TxDOT, rather than DPS, TDI, DIR, and TxDOT to carry out Subchapter N (Financial Responsibility Verification Program), Chapter 601 (Motor Vehicle Safety Responsibility Act).

(d) Makes a conforming change to this subsection.

SECTION 2. Amends Section 601.451, Transportation Code, as follows:

Sec. 601.451. DEFINITION. Redefines "implementing agencies" to remove the Texas Department of Insurance.

SECTION 3. Amends Section 601.452(a), Transportation Code, to require the Texas Department of Motor Vehicles (TxDMV), rather than TDI, in consultation with the other implementing agencies to establish a program for verification of whether owners of motor vehicles have established financial responsibility. Requires the program established to meet certain criteria.

SECTION 4. Amends Section 601.453(a), Transportation Code, to require TxDMV, rather than TDI, in consultation with the other implementing agencies, under a competitive bidding procedure, to select an agent to develop, implement, operate, and maintain the program.

SECTION 5. Amends Subchapter N, Chapter 601, Transportation Code, by adding Section 601.455, as follows:

Sec. 601.455. ENFORCEMENT. Authorizes the commissioner of insurance to, after notice and opportunity for hearing, take any action authorized under Chapters 82 (Sanctions), 83 (Emergency Cease and Desist Orders), and 84 (Administrative Penalties), 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 (Motor Vehicle Safety Responsibility Act).

SECTION 6. Provides that not later than January 1, 2020, the following are transferred from TDI to TxDMV:

- (1) the powers, duties, functions, and activities of TDI 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 TDI 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 TDI 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. Requires TDI and TxDMV, not later than the 60th day after the effective date of this Act, to enter into a memorandum of understanding that establishes a plan for the identification and transfer of the records, property, and unspent appropriations of TDI 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. Effective date: upon passage or September 1, 2019.