

BILL ANALYSIS

C.S.H.B. 2893
By: Phillips
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

During the 78th Legislative Session, the legislature passed HB 3588, which included a motor vehicle database interface financial responsibility verification system. Recent data suggests that as much as 26% of all Texas registered vehicles travel on our public roadways without mandatory liability insurance. Texas is recognized as one of the “Top 10” states in terms of uninsured motorists. Uninsured motorists result in unfairly shifting the costs of traffic incidents from the non-compliant drivers to law-abiding citizens.

CSHB 2893 provides for the establishment of a motor vehicle liability insurance compliance program.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Transportation Code, Chapter 601 by adding Subchapter N, entitled Motor Vehicle Liability Insurance Compliance Program.

Sec. 601.501. ESTABLISHMENT OF PROGRAM. Establishes a motor vehicle compliance program within Department of Public Safety with advice and assistance from Texas and other state agencies. Allows the Department of Public Safety (DPS) to contract with one or more public or private entities to administer the program.

Sec. 601.502. REPORTING REQUIREMENTS. Requires insurance companies or designated agent, upon issuance, termination or cancellation of insurance to a Texas driver, to provide to DPS or administering entity the insurance policy number, effective date of policy, the make, model, license plate number, vehicle identification number of each vehicle covered by the policy, and any other information reasonably requires by the department. Requires information be provided to the department no later than three business days from issuance or renewal of policy. Requires information be provided to the department of policy termination or cancellation prior to the effective date of termination or cancellation.

Sec. 601.503. ELECTRONIC REPORTING. Requires the insurance companies or designated agents to provide the information required in Sec. 601.502 to the department in an electronic format specified by the department or administering entity. Provides that the format should be compatible with insurance industry standards and can be submitted in bulk or individual format. Provides that any proprietary information provides by insurance company or designated agent is property of insurance company or agent.

Sec. 601.504. COMPUTER DATABASE. Requires the department or administering agency to develop and maintain a computer database from the information provided by insurance companies or designated agents for the administration and enforcement of the subchapter.

Sec. 601.505. CONFIDENTIALITY OF INFORMATION. Information in the database is confidential and not subject to the Open Records Act. Allows access to the database by department or administering agency, law enforcement officers, other state and local government entities that enforce the Act. Requires the department or administering entity to maintain confidentiality in providing information to the other entities authorized to receive the information. Provides that, for purposes of verifying that financial responsibility has been established for a motor vehicle, information in the database may be accessed by a driver's license office, a county tax assessor-collector or a full-service or limited purpose deputy, a vehicle inspector and peace officers. Requires the department or administering entity to periodically update the database to identify new insurance policies and to determine whether previous insurance policies are still in effect. Provides a state jail felony for a person who discloses information in the database to unauthorized persons, or allows a person to view, read or copy the information.

Sec. 601.506. CERTAIN FEES AND CHARGES PROHIBITED. Prohibits insurance companies or designated agents from assessing fees or charges to policyholders to comply with this program.

SECTION 2. Effective date September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute removes provisions in the original bill that related to special inspection certificates and civil penalties.