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PROPOSAL OF
43 TAC §57.48

INTRODUCTION. The Motor Vehicle Crime Prevention Authority (MVCPA) proposes amendments to 43 Texas Administrative Code (TAC) §57.48 concerning motor vehicle years of insurance calculations. These amendments are necessary to implement Senate Bill (SB) 224 enacted during the 88th Legislature, Regular Session (2023). SB 224 provides that the (a)(1) single statutory fee payable on each motor vehicle for which the insurer provides insurance coverage during the calendar year regardless of the number of policy renewals is increased from \$4 to \$5; and (a)(4) all motor vehicle or automobile insurance policies as defined by Insurance Code §5.01(e), covering a motor vehicle shall be assessed the \$5 fee except mechanical breakdown policies, garage liability policies, non-resident policies, and policies providing only non-ownership or hired auto coverages.

EXPLANATION.

Amendments to §57.48(a)(1) and (a)(4) implement SB 224 enacted by the 88th Legislature, 2023. Transportation Code §1006.153, Fee Imposed on Insurers, provides “motor vehicle years of insurance” means the total number of years or portions of years during which a motor vehicle is covered by insurance. Insurers are required to pay to the Authority a fee equal to \$5 multiplied by the total number of motor vehicle years of insurance policies delivered, issued for delivery, or renewed by the insurer. Transportation Code §1006.153(b). Insurers are required to pay the fee not later than: (1) March 1 of each year for a policy delivered, issued, or renewed from July 1 to December 31 of the previous calendar year; and (2) August 1 of each year for a policy delivered, issued, or renewed from January 1 through June 30 of that year.

1 Out of each fee collected under §1006.153(b), \$1 shall be deposited to the credit of the general
2 revenue fund to be used only for coordinated regulatory and law enforcement activities intended to
3 detect and prevent catalytic converter theft in this state. The money deposited to the credit of the general
4 revenue fund for coordinated regulatory and law enforcement activities intended to detect and prevent
5 catalytic converter theft in this state as described by Transportation Code §1006.153(e), may be
6 appropriated to the authority for coordinated regulatory and law enforcement activities.

7 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
8 Texas Department of Motor Vehicles has determined that for each year of the first five years the new
9 section will be in effect, there will be no significant fiscal impact to state or local governments as a result
10 of the enforcement or administration of the proposal. Joe Canady, Director of the Motor Vehicle Crime
11 Prevention Authority (MVCPA) Division, has determined that there will be no measurable effect on local
12 employment or the local economy as a result of the proposal.

13 **PUBLIC BENEFIT AND COST NOTE.** Mr. Canady has also determined that, for each year of the first five
14 years new section is in effect, the public benefits anticipated as a result of the proposal include the
15 increased grant funding for MVCPA taskforces to increase their enforcement activities, including the
16 prevention of catalytic converter theft.

17 Anticipated Costs To Comply With The Proposal. Mr. Canady anticipates that there will be costs
18 to comply with these rules. The cost to persons required to comply with the proposal is the increased fee
19 assessed by insurers on all motor vehicle and automobile insurance policies.

20 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the
21 Government Code, §2006.002, the department has determined that the proposed amendments will not
22 have an adverse economic effect on small businesses, micro-businesses, and rural communities because
23 the new section does not require small businesses, micro-businesses, or rural communities to comply.

1 Therefore, the MVCPA is not required to prepare a regulatory flexibility analysis under Government Code,
2 §2006.002.

3 **TAKINGS IMPACT ASSESSMENT.** The MVCPA has determined that no private real property interests are
4 affected by this proposal and that this proposal does not restrict or limit an owner's right to property that
5 would otherwise exist in the absence of government action and, therefore, does not constitute a taking
6 or require a takings impact assessment under the Government Code, §2007.043.

7 **GOVERNMENT GROWTH IMPACT STATEMENT.** The MVCPA has determined that each year of the first
8 five years the proposed new section is in effect, no government program would be created or eliminated.
9 Implementation of the proposed amendments would require the creation of four new employee
10 positions. Implementation would not require an increase in legislative appropriations to the MVCPA. The
11 proposed amendments do not create a new regulation, or expand, limit, or repeal an existing regulation.
12 Lastly, the proposed new section does not affect the number of individuals subject to the rule's
13 applicability and will not affect this state's economy.

14 **REQUEST FOR PUBLIC COMMENT.**

15 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on October 8,
16 2023. A request for a public hearing must be sent separately from your written comments. Send written
17 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas
18 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the
19 department will consider written comments and public testimony presented at the hearing.

20 **STATUTORY AUTHORITY.** The MVCPA proposes amendment to 43 TAC §57.48 under Transportation Code
21 §1006.101.

22 Transportation Code §1006.101 authorizes the MVCPA to adopt rules that are necessary
23 appropriate to implement the powers and the duties of the authority.

1 **CROSS REFERENCE TO STATUTE.** Art. 4413(37) §6.

2

3 **TEXT.**

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43 TAC §57.48

5 §57.48. Motor Vehicle Years of Insurance Calculations.

6 (a) Each insurer, in calculating the fees established by Transportation Code §1006.153, shall
7 comply with the following guidelines:

8 (1) The single statutory fee of \$5 [~~\$4~~] is payable on each motor vehicle for which the
9 insurer provides insurance coverage during the calendar year regardless of the number of policy renewals;
10 and

11 (2) When more than one insurer provides coverage for a motor vehicle during the
12 calendar year, each insurer shall pay the statutory fee for that vehicle.

13 (3) "Motor vehicle insurance" as referred to in Transportation Code, Chapter 1006, means
14 motor vehicle insurance as defined by the Insurance Code, Article 5.01(e). This definition shall be used
15 when calculating the fees under this section.

16 (4) All motor vehicle or automobile insurance policies as defined by Insurance Code,
17 Article 5.01(e), covering a motor vehicle shall be assessed the \$5 [~~\$4~~] fee except mechanical breakdown
18 policies, garage liability policies, non-resident policies and policies providing only non-ownership or hired
19 auto coverages.

20 (b) The Insurance Motor Vehicle Crime Prevention Authority Fee Report form and Instructions for
21 the Computation of the Motor Vehicle Crime Prevention Authority Fee of the Comptroller of Public
22 Accounts are adopted by reference. The form and instructions are available from the Comptroller of

1 Public Accounts, Tax Administration, P.O. Box 149356, Austin, Texas 78714-9356. Each insurer shall use
2 this form and follow those instructions when reporting assessment information to the Comptroller.

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4 **CERTIFICATION.** The MVCPA certifies that legal counsel has reviewed the proposal and found it to be
5 within the state agency's legal authority to adopt.

6 Filed with the Office of the Secretary of State on August 25, 2023.

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/s/ C. David Richards
C. David Richards, General Counsel

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