

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**ADOPTION OF**  
**NEW 57 TAC §57.52**  
**Penalty for Late Payment of Fee or Filing Report; Appeal**

**INTRODUCTION.** The Motor Vehicle Crime Prevention Authority (Authority) adopts new 43 Texas Administrative Code (TAC) §57.52 concerning a penalty for late payment of fee or filing of report; appeal. The authority adopts §57.52 without changes to the proposed text as published in the September 8, 2023, issue of the *Texas Register* (48 TexReg 5018). The rules will not be republished.

**REASONED JUSTIFICATION.** New §57.52 implements House Bill (HB) 3514 enacted during the 87<sup>th</sup> Legislature, Regular Session (2021). 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 the authority a fee equal to five dollars multiplied by the total number of years of insurance policies delivered, issued for delivery, or renewed by the insurer. Transportation Code §1006.153(b), requires insurers 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.

New §57.52 provides that a penalty shall be imposed on an insurer for the delinquent payment of the required fee or the delinquent filing of the report of a fee that is required by law. The penalty shall be assessed in the same manner as the assessment of a penalty for a delinquent tax payment or a report under Tax Code §111.061(a). Interest accrues in the manner described in Tax Code §111.060 on any fee paid after the due date required under Transportation Code §1006.153(b). HB 3514 provides the authority with the ability to audit or contract for the audit of fees paid under Transportation Code

1 §1006.153(b-2) and requires the authority to establish procedures by rule that provide a right of appeal  
2 to an insurer assessed a penalty or interest under this section. The final decision regarding an insurer's  
3 appeal is decided by a majority vote of the authority. The appeal of the assessment of a penalty or interest  
4 is not a contested case under Government Code, Chapter 2001.

5 **SUMMARY OF COMMENTS.**

6 No comments were received by the authority on this rule proposal.

7 **STATUTORY AUTHORITY.** The department adopts new section §57.52 under Transportation Code  
8 §1006.101. Transportation Code §1006.101 authorizes the MVCPA to adopt rules that are necessary and  
9 appropriate to implement the powers and duties of the authority.

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

11

12 **TEXT.**

13

**43 TAC §57.52**

14 §57.52. Assessment of Penalty or Interest for Late Payment of the Fee, Filing of Report; Appeal.

15 (a) Penalty for Late Payment of Fee or Filing of Report.

16 (1) A penalty shall be assessed against an insurer for the delinquent payment of the fee  
17 required under Transportation Code §1006.153(b-1) or the delinquent filing of any report of the fee  
18 required.

19 (2) The penalty for the delinquent payment of the fee or late filing of the report shall be  
20 assessed in accordance with Tax Code §111.061(a).

21 (3) Interest accrues in the manner described in Tax Code §111.060 on any fee paid after  
22 the due date.

1 (b) Appeal Procedures.

2 (1) An insurer that is assessed a penalty or interest by the MVCPA under Transportation  
3 Code §1006.153 may appeal the assessment by submitting an MVCPA prescribed form to the MVCPA  
4 Director within thirty (30) days of the date of the assessment.

5 (2) An insurer shall provide the MVCPA with any written documentation or evidence  
6 demonstrating the reasons for the late payment of the fee or late filing of the report.

7 (3) The MVCPA shall make a final decision on an insurer's appeal at a regularly scheduled  
8 open meeting of the MVCPA board. A final decision on the appeal shall be made by a majority vote of the  
9 MVCPA board.

10 (4) An appeal under this section is not a contested case under Government Code, Chapter  
11 2001.

12 The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of  
13 the agency's legal authority.

14 Filed with the Office of the Secretary of State on December 21, 2023.

15 /s/ David Richards  
16 David Richards, General Counsel  
17

18