

BILL ANALYSIS

C.S.H.B. 3514
By: Canales
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding state law governing certain functions of the Texas Department of Motor Vehicles (TxDMV). It has been suggested that the law is filled with references and procedures in need of updates and clarification to more closely reflect long-standing practices of TxDMV. C.S.H.B. 3514 seeks to address this issue by providing for these updates.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted the Motor Vehicle Crime Prevention Authority in SECTION 14 of this bill.

ANALYSIS

C.S.H.B. 3514 amends the Occupations Code to except information filed with the Texas Department of Motor Vehicles (TxDMV) under provisions relating to the rights of vehicle owners regarding vehicle warranties from state public information law until the applicable complaint is resolved by a final order of TxDMV. The bill gives the option for an order or decision by the board of TxDMV for the implementation and enforcement of statutory provisions governing the sale or lease of motor vehicles and dealer's and manufacturer's vehicle license plates to be signed by a hearings examiner in certain contested case hearings as an alternative to the board's presiding officer or assistant presiding officer or other designated person. The bill clarifies the reimbursement of filing fees by the nonprevailing party in contested cases regarding vehicle warranties and authorizes a chief hearings examiner to designate a person to decide a motion for rehearing in such a contested case or one concerning a vehicle defect.

C.S.H.B. 3514 amends the Tax Code to replace the requirement for an applicable chief appraiser to report to TxDMV for purposes of initiating the cancellation of a dealer's general distinguishing number a dealer who fails to file the dealer's motor vehicle inventory declaration with an authorization for the chief appraiser to do so. The bill requires the chief appraiser to include with the report written verification that the chief appraiser informed the dealer of the requirement to file the declaration.

C.S.H.B. 3514 amends the Transportation Code to authorize the Motor Vehicle Crime Prevention Authority (MVCPA) to recover from an insurer requesting a refund of motor vehicle years of insurance fees collected by MVCPA any costs associated with a denied or improperly requested refund. The bill imposes a penalty on an insurer for the delinquent payment of the

motor vehicle years of insurance fee or the delinquent filing of any report of the fee required by rule and provides for the manner in which the delinquent payment fee is assessed and interest is accrued. The bill authorizes MVCPA to audit or contract for the audit of the payment of the fees and requires a determination relating to the fees to be made in accordance with procedures MVCPA adopts by rule. The bill provides for an appeals process for an insurer assessed a penalty or interest under the bill's provisions and requires any penalties or interest collected to be appropriated and deposited in the same manner as the money collected from the fees. The bill excludes administrative expenses related to the collection of the fee, including salaries, from the calculation of the cap on MVCPA's yearly administrative expenses.

C.S.H.B. 3514 establishes that the procedures applicable to certain contested case hearings involving dealer's and manufacturer's vehicle license plates are those applicable to a hearing conducted under the Administrative Procedure Act or under provisions relating to the sale or lease of motor vehicles. The bill removes information regarding MVCPA grants from the information the Texas Department of Transportation is required to annually publish in appropriate media and on its website.

C.S.H.B. 3514 amends the Finance Code and the Government Code to make nonsubstantive changes.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3514 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes language absent from the original imposing a penalty on an insurer for the delinquent filing of any report of the motor vehicle years of insurance fee required by rule.

The substitute's saving provision provides for the applicability of the bill's provisions to a fee due on or after the bill's effective date, whereas the original's saving provision provided for that applicability to a fee imposed on or after the bill's effective date.