

TRANSPORTATION CODE

TITLE 7. VEHICLES AND TRAFFIC

SUBTITLE M. DEPARTMENT OF MOTOR VEHICLES

CHAPTER 1006. MOTOR VEHICLE CRIME PREVENTION AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1006.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Motor Vehicle Crime Prevention Authority.

(2) "Economic motor vehicle theft" means motor vehicle burglary or theft, including theft of a catalytic converter attached to a motor vehicle, committed for financial gain.

(3) "Insurer" means any insurance company writing any form of motor vehicle insurance in this state, including an interinsurance or reciprocal exchange, mutual company, mutual association, or Lloyd's plan.

(4) "Motor vehicle" means a self-propelled vehicle or a vehicle, trailer, or semitrailer designed for use with a self-propelled vehicle. The term does not include a vehicle that runs exclusively on fixed rails or tracks or a piece of equipment operated solely on private property.

(5) "Motor vehicle burglary or theft" includes economic motor vehicle theft.

Reenacted, transferred, redesignated and amended from Vernon's Civil Statutes, Section 1, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.03, eff. September 1, 2019.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 269 (S.B. 224), Sec. 3.13, eff. May 29, 2023.

Sec. 1006.002. ESTABLISHMENT. The Motor Vehicle Crime Prevention Authority is established in the department. The authority is not an advisory body to the department.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 2, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.04, eff. September 1, 2019.

## SUBCHAPTER B. COMPOSITION AND ADMINISTRATION

Sec. 1006.051. AUTHORITY MEMBERSHIP. (a) The authority is composed of seven members.

(b) The governor, with the advice and consent of the senate, shall appoint the following six members:

(1) two representatives of motor vehicle insurance consumers;

(2) two representatives of insurance companies writing motor vehicle insurance in this state; and

(3) two representatives of law enforcement.

(c) The public safety director of the Department of Public Safety or the director's designee serves ex officio as the seventh member of the authority.

(d) Appointments to the authority shall be made without regard to race, color, disability, sex, religion, age, or national origin of the appointees.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 3(a), (b), (c), and (d), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.06, eff. September 1, 2019.

Sec. 1006.052. ELIGIBILITY RESTRICTIONS. (a) A person is not eligible for appointment as a representative of motor vehicle insurance consumers under Section 1006.051(b)(1) if the person or the person's spouse:

(1) is registered, certified, or licensed by an occupational regulatory agency in the field of motor vehicle insurance or law enforcement;

(2) is an officer, employee, or paid consultant of a Texas trade association in the field of motor vehicle insurance or law enforcement;

(3) is employed by or participates in the management of a business entity or other organization receiving funds from the authority;

(4) owns or controls, directly or indirectly, more

than a 10 percent interest in a business entity or other organization receiving funds from the authority; or

(5) uses or receives a substantial amount of tangible goods, services, or funds from the authority, other than reimbursement authorized by law for service on the board of the authority.

(b) For purposes of Subsection (a)(2), "Texas trade association" means a nonprofit, cooperative, and voluntarily joined association of business or professional competitors in this state designed to assist the association's members and the members' industry or profession in dealing with mutual business or professional problems and in promoting the members' common interest.

(c) A person may not serve as a member of the authority if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to motor vehicle insurance or law enforcement.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 3(i), (j), and (k), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.06, eff. September 1, 2019.

Sec. 1006.053. TERM OF OFFICE; VACANCY. (a) The six members of the authority appointed by the governor serve staggered six-year terms, with the terms of two members expiring February 1 of each odd-numbered year.

(b) If there is a vacancy during a term, the governor shall appoint a replacement who meets the requirements of the vacant office to fill the unexpired term.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 3(e), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.07, eff. September 1, 2019.

Sec. 1006.054. PRESIDING OFFICER. The governor shall designate a member of the authority as the presiding officer of the authority to serve in that capacity at the pleasure of the governor.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 5(a), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.08, eff. September 1, 2019.

Sec. 1006.055. GROUNDS FOR REMOVAL. (a) It is a ground for removal from the authority if a member:

(1) does not have at the time of appointment the qualifications required by Section 1006.051(b) or is disqualified under Section 1006.052;

(2) does not maintain during service on the authority the qualifications required by Section 1006.051(b) or becomes disqualified under Section 1006.052;

(3) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(4) is absent from more than half of the regularly scheduled authority meetings that the member is eligible to attend during a calendar year.

(b) The validity of an action of the authority is not affected by the fact that it is taken when a ground for removal of a member of the authority exists.

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the authority of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest officer of the authority, who shall notify the governor and the attorney general that a potential ground for removal exists.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 3(f), (g), and (h), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.09, eff. September 1, 2019.

Sec. 1006.056. INFORMATION ON QUALIFICATIONS AND CONDUCT. The executive director or the executive director's designee shall

provide to members of the authority, as often as necessary, information regarding the members' qualifications for office under this chapter and their responsibilities under applicable laws relating to standards of conduct for state officers.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 3(1), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.09, eff. September 1, 2019.

Sec. 1006.057. MEMBER TRAINING. (a) A person who is appointed to and qualifies for office as a member of the authority may not vote, deliberate, or be counted as a member in attendance at a meeting of the authority until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

- (1) the law governing authority operations;
- (2) the programs, functions, rules, and budget of the authority;
- (3) the scope of and limitations on the rulemaking authority of the authority;
- (4) the results of the most recent formal audit of the authority;
- (5) the requirements of:
  - (A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and
  - (B) other laws applicable to members of the authority in performing their duties; and
- (6) any applicable ethics policies adopted by the department or the Texas Ethics Commission.

(c) A person appointed to the authority is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program, regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The executive director shall create a training manual that includes the information required by Subsection (b). The

executive director shall distribute a copy of the training manual annually to each member of the authority. Each member of the authority shall sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 5(c), (d), and (e), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.10, eff. September 1, 2019.

Sec. 1006.058. REIMBURSEMENT FOR EXPENSES. A member of the authority is not entitled to compensation for service on the authority but is entitled to reimbursement for expenses incurred in performing the member's duties at the rate provided by the General Appropriations Act.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 4, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.11, eff. September 1, 2019.

Sec. 1006.059. PERSONNEL AND SERVICES. (a) The authority may be provided various services only by or through the department as needed to carry out the authority's purposes, powers, and duties. These services may include legal services not provided by the attorney general, fiscal services, administrative services, and personnel services.

(b) The department shall provide personnel and services to the authority as agreed by the authority and the department.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 6(e) and (f), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.12, eff. September 1, 2019.

Sec. 1006.060. DIVISION OF RESPONSIBILITIES. The authority shall, in coordination with the department, develop and implement policies that clearly separate the policymaking responsibilities of the authority and the management responsibilities of the department.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 6(g), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.12, eff. September 1, 2019.

Sec. 1006.061. MEETINGS. The authority shall meet at the call of the presiding officer or at the call of four members.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 5(b), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.13, eff. September 1, 2019.

Sec. 1006.062. PUBLIC TESTIMONY. The authority shall develop and implement policies that provide the public with a reasonable opportunity to appear before the authority and to speak on any issue under the jurisdiction of the authority.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 6(h), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.14, eff. September 1, 2019.

Sec. 1006.063. LOBBYIST PROHIBITION: GENERAL COUNSEL. A person may not act as the general counsel to the authority if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to motor vehicle insurance or law enforcement.

Added by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.15, eff. September 1, 2019.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1006.101. GENERAL POWERS AND DUTIES. (a) The authority shall adopt rules to implement the authority's powers and duties.

(b) The authority may solicit and accept gifts and grants.

(c) The authority may only use staff of the department and may delegate authority to the staff as needed.

(d) Not later than April 1 of each year, the authority shall report on the authority's activities to the lieutenant governor and

the speaker of the house of representatives.

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 6(a), (b), (c), and (d), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.17, eff. September 1, 2019.

Sec. 1006.102. PLAN OF OPERATION. (a) The authority shall develop and implement a plan of operation. The plan of operation must be updated biennially and filed with the legislature not later than December 1 of each even-numbered year.

(b) The plan of operation must include:

(1) an assessment of the scope of the problems of motor vehicle burglary or theft and fraud-related motor vehicle crime, including particular areas of the state where the problems are greatest;

(2) an analysis of various methods of combating the problems of motor vehicle burglary or theft and fraud-related motor vehicle crime;

(3) a plan for providing financial support to combat motor vehicle burglary or theft and fraud-related motor vehicle crime; and

(4) an estimate of the funds required to implement the plan of operation.

Reenacted, transferred, redesignated and amended from Vernon's Civil Statutes, Section 7, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.18, eff. September 1, 2019.

Sec. 1006.103. ADVISORY COMMITTEES. (a) The authority may establish advisory committees to advise the authority on any matter under the jurisdiction of the authority.

(b) Section 2110.008, Government Code, does not apply to an advisory committee established under this section if the advisory committee is:

(1) established for a specific and immediate need; and

(2) dissolved before the first anniversary of the date the committee is created.

(c) A member of an advisory committee may not be compensated



by the authority for committee service but is entitled to reimbursement for actual and necessary expenses incurred in the performance of committee service.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 12, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.19, eff. September 1, 2019.

#### SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 1006.151. GRANTS. (a) Subject to the requirements of this section, the authority may enter into contracts in the authority's own name and on the authority's own behalf with recipients of grants for purposes of this chapter.

(b) The authority shall:

(1) develop and periodically update standard performance measures for each category of grants provided by the authority for use in assessing grantee success in achieving the purposes of this chapter; and

(2) ensure that grants are used to help increase:

(A) the recovery rate of stolen motor vehicles;

(B) the clearance rate of:

(i) motor vehicle burglaries and thefts;

and

(ii) fraud-related motor vehicle crimes;

and

(C) the number of persons arrested for motor vehicle burglary and theft and fraud-related motor vehicle crime.

(c) The authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution.

(d) The authority shall, in consultation with the department, annually update the performance measures developed under Subsection (b).

Transferred, redesignated and amended from Vernon's Civil Statutes, Sections 6(j) and (k), Art/Sec 4413(37) by Acts 2019,

86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.21, eff. September 1, 2019.

Sec. 1006.152. REFUNDS. (a) The authority may make determinations regarding the sufficiency of payments made by an insurer of fees collected under Section 1006.153.

(b) Pursuant to a determination made under Subsection (a), the authority may:

(1) notify the comptroller that payments made by an insurer are sufficient; and

(2) request the comptroller to draw warrants on the funds available to the authority for the purpose of refunding money to an insurer.

(c) The authority shall make the determination under this section as follows:

(1) the two members of the authority who are representatives of insurance companies writing motor vehicle insurance in this state shall recuse themselves; and

(2) the remaining five members of the authority shall make the determination by a simple majority vote.

(d) Determinations made under this section shall be performed in accordance with procedures set forth in rules adopted by the authority. The question of eligibility for a refund is not a contested case under Chapter 2001, Government Code.

(e) A request for a refund made under this section must be made not later than four years after the date the payment was made to the authority under Section 1006.153.

(f) The authority may recover from an insurer requesting a refund under this section any costs associated with a denied or improperly requested refund.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 6A, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.22, eff. September 1, 2019.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 276 (H.B. 3514), Sec. 13, eff. September 1, 2021.

Sec. 1006.153. FEE IMPOSED ON INSURER. (a) In this section, "motor vehicle years of insurance" means the total number of years or portions of years during which a motor vehicle is covered by insurance.

(b) An insurer shall pay to the authority a fee equal to \$5 multiplied by the total number of motor vehicle years of insurance for insurance policies delivered, issued for delivery, or renewed by the insurer. The fee shall be paid not later than:

(1) March 1 of each year for a policy delivered, issued, or renewed from July 1 through 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.

(b-1) A penalty shall be imposed on an insurer for the delinquent payment of the fee required by this section or the delinquent filing of any report of the fee required by rule. The penalty shall be assessed in the manner prescribed for the assessment of a penalty for a delinquent tax payment or filing of a report under Section 111.061(a), Tax Code. Interest accrues in the manner described by Section 111.060, Tax Code, on any fee paid after the due date in Subsection (b).

(b-2) The authority may audit or contract for the audit of fees paid by an insurer under this section.

(b-3) A determination under this section shall be made in accordance with procedures the authority adopts by rule. An insurer assessed a penalty or interest under Subsection (b-1) may appeal the assessment to the authority. The authority shall make the final decision on the appeal by a simple majority vote. The appeal of an assessment of a penalty or interest is not a contested case under Chapter 2001, Government Code.

(c) The fee imposed by this section is in addition to any other fee or tax imposed by law on an insurer.

(d) The authority shall notify the Texas Department of Insurance of any insurer that fails to pay the fee required by this section, and the Texas Department of Insurance may for that reason revoke the insurer's certificate of authority.

(e) Out of each fee collected under Subsection (b), \$1 shall

be deposited to the credit of the general revenue fund to be used only for coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in this state. The remainder of each fee collected under Subsection (b) and any amount collected under Subsection (b-1) shall be allocated as follows:

(1) 20 percent shall be appropriated to the authority for the purposes of this chapter;

(2) 20 percent shall be deposited to the credit of the general revenue fund, to be used only for criminal justice purposes; and

(3) 60 percent shall be deposited to the credit of the designated trauma facility and emergency medical services account under Section 780.003, Health and Safety Code, to be used only for the criminal justice purpose of funding designated trauma facilities, county and regional emergency medical services, and trauma care systems that provide trauma care and emergency medical services to victims of collisions resulting from traffic offenses. Transferred, redesignated and amended from Vernon's Civil Statutes, Section 10, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. 604), Sec. 5.22, eff. September 1, 2019.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1094 (H.B. 2048), Sec. 9, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 276 (H.B. 3514), Sec. 14, eff. September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 269 (S.B. 224), Sec. 3.14, eff. May 29, 2023.

Acts 2023, 88th Leg., R.S., Ch. 709 (H.B. 2190), Sec. 108, eff. September 1, 2023.

Sec. 1006.154. USE OF APPROPRIATED FUNDS. (a) Money appropriated to the department for authority purposes shall be used by the authority to pay the department for administrative costs and to achieve the purposes of this chapter, including:

(1) providing financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor

vehicle crime enforcement teams;

(2) providing financial support to law enforcement agencies, local prosecutors, judicial agencies, and neighborhood, community, business, and nonprofit organizations for programs designed to reduce the incidence of economic motor vehicle theft and fraud-related motor vehicle crime;

(3) conducting educational programs designed to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime;

(4) providing equipment, for experimental purposes, to assist motor vehicle owners in preventing motor vehicle burglary or theft; and

(5) establishing a uniform program to prevent stolen motor vehicles from entering Mexico.

(b) In any fiscal year, the amount of the administrative expenses of the authority, including salaries, travel and marketing expenses, and other overhead expenses may not exceed eight percent of the total expenditures of the authority.

(c) The cost of personnel and services provided to the authority by the department and by the attorney general may be paid only from appropriations made for authority purposes. Appropriations made for authority purposes may not be used for any other purpose.

(d) For purposes of Subsection (b), administrative expenses do not include administrative expenses related to the collection of a fee under Section [1006.153](#), including salaries.

Reenacted, transferred, redesignated and amended from Vernon's Civil Statutes, Section 8, Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. [604](#)), Sec. 5.23, eff. September 1, 2019.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 276 (H.B. [3514](#)), Sec. 15, eff. September 1, 2021.

Sec. 1006.155. ANNUAL FINANCIAL REPORT. The authority shall prepare annually a complete and detailed written report accounting for all funds received and disbursed by the authority during the preceding fiscal year. The annual report must meet the

reporting requirements applicable to financial reporting provided by the General Appropriations Act.

Transferred, redesignated and amended from Vernon's Civil Statutes, Section 6(i), Art/Sec 4413(37) by Acts 2019, 86th Leg., R.S., Ch. 594 (S.B. [604](#)), Sec. 5.24, eff. September 1, 2019.