

## **BILL ANALYSIS**

HB 1054  
By: Haggerty  
Business and Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Prior to the 78th Legislature, a valet parking service was not required to have liability insurance. A person who sustained injury or whose property was damaged by an employee of a valet service that did not have liability insurance had to pay for the damages out of pocket or have their insurance cover the costs, which may have led to higher insurance premiums. House Bill 1054 requires a valet parking service to assume financial responsibility for each employee who operates a motor vehicle for the service.

### **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**

House Bill 1054 amends the Transportation Code to prohibit a person from operating a valet parking service unless financial responsibility for each employee who operates a motor vehicle for the service is established through a surety bond, a deposit with the comptroller in the amount of \$450,000, or a motor vehicle liability insurance policy that meets specified minimum coverage amounts. The bill provides that the comprehensive general liability insurance must be not less than \$300,000, and that the garage insurance must provide liability limits of not less than \$300,000 and must cover comprehensive and collision coverage for physical damage, coverage for vehicle storage, and coverage for a vehicle driven by or at the direction of the valet parking service. The bill establishes offenses and fines to punish a person who violates these requirements, and provides that it is not a defense in an action to recover damages against an owner or operator of a valet parking service that has not established financial responsibility that the party who brings the action was guilty of contributory negligence, or assumed the risk of injury, death, or property damage. H.B. 1054 requires the owner or operator of a valet parking service to provide evidence of financial responsibility on request by a peace officer and to display for public inspection evidence of financial responsibility at a public accommodation whose patrons use the service.

### **EFFECTIVE DATE**

This Act takes effect September 1, 2003.