

BILL ANALYSIS

C.S.H.B. 280
By: Hope
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Thousands of Texans travel our roadways everyday without proper insurance coverage. Texas law states that all motorists are required to provide proof of financial responsibility, yet motorists continue to ignore this mandate. According to the Texas Department of Insurance, in 2004 there was over \$525,000,000 in damage caused by uninsured motorists. This number increases every year which indicates current penalties for driving without insurance are ineffective. CSHB 280 strengthens the penalties against driving without insurance by requiring all license plates be removed from a vehicle that is not covered by a current insurance policy.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Transportation in SECTION 2 (Subchapter I, Section 601 of the Transportation Code) and in SECTION 5 of this bill. It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Public Safety in SECTION 5 of the bill.

ANALYSIS

Section 1:

Renames Chapter 601 Subchapter I of the Transportation Code to be called "FAILURE TO MAINTAIN EVIDENCE OF FINANCIAL RESPONSIBILITY; IMPOUNDMENT OF MOTOR VEHICLE OR LICENSE PLATES"

Section 2:

Requires a law enforcement officer to remove, or have removed, the license plates from any car whose driver cannot provide proof of financial responsibility. The officer will issue a temporary plate that will expire on the tenth day after its issuance. The law enforcement agency may hold onto the plates for a maximum of 31 days, after which point the agency will instruct TXDOT to suspend the registration of the automobile in question. 10 days after receiving the information from the law enforcement agency TXDOT will suspend the registration of the automobile.

This section also states that an automobile operator may reclaim the license plates within 31 days if he can provide proof of current insurance, provide proof he was exempt from being required to have insurance, or proves he had insurance at the time of the stop. The bill also directs the Department of Transportation to establish a fee to be assessed against an uninsured motorists to cover the costs of this program.

Section 3:

Stipulates that section 601.374 of the transportation does not apply to a vehicle registration suspension which occurs when a driver loses his vehicle suspension due to a violation under this bill.

Section 4:

Stipulates that section 601.376 of the transportation code does not apply to a vehicle registration suspension which occurs when a driver loses his vehicle suspension due to a violation under this bill.

Section 5:

Instructs both TXDOT and DPS to adopt rules necessary to implement the program by no later than November 30, 2005

Section 6:
Effective date

EFFECTIVE DATE

Sections 1-4 of this Act take effect January 1, 2006. Sections 5 and 6 of this Act take effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 280 changes the time that a law enforcement agency holds onto the plates from 31 days to 61 days.

CSHB 280 changes the temporary plate issued by a law enforcement officer from expiring after 6 days to 10 days.

CSHB 280 gives a law enforcement department the ability to destroy a license plate 10 days after its impoundment, and instructs a car owner to go to the tax collector to get a replacement plate.

CSHB 280 also includes language offered by TXDOT which procedurally outlines how a car's registration is to be suspended

CSHB 280 also adds a section to the bill that establishes a fee structure which will assess smaller fees to people who were insured at the time of a license plate impoundment.