

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 1018  
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Business & Commerce  
5/5/2005  
Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Texas law does not require that school districts provide transportation to and from school for students who live within two miles of the campus. Within that parameter in the Houston Independent School District, many parents contract with private providers to transport their children. Most of these parents are working, poor, minorities who contract with these private bus companies to convey their children safely across busy streets and through dangerous neighborhoods.

Under current state law, a motor carrier is required to maintain liability insurance in an amount set by the Department of Transportation (TxDOT). TxDOT is prohibited from setting the amount of liability insurance required at a level higher than the amount required for a motor carrier under a federal regulation adopted under 49 U.S.C. Section 13906(a)(1). According to 43 T.A.C. Section 18.16(a)(1), "buses designed or used to transport more than 15 passengers (including the driver) must maintain a minimum liability insurance of \$5 million." According to the Texas Association of Private Bus Owners, most bus owners charge parents between \$6 and \$20 per week per child to transport their children to and from school. However, to meet the \$5 million insurance requirement, the bus owners would need to charge parents between \$30 and \$50 per week per child.

C.S.H.B. 1018 creates minimum liability insurance amounts for certain school buses.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 643.101(b), Transportation Code, to make a conforming change.

SECTION 2. Amends Subchapter C, Chapter 643, Transportation Code, by adding Section 643.1015, as follows:

Sec. 643.1015. AMOUNT REQUIRED FOR CERTAIN SCHOOL BUSES. (a) Sets forth school buses to which this section applies.

(b) Requires the owner of a school bus to maintain liability insurance in the amount of at least \$500,000 combined single limit.

(c) Defines "school bus."

SECTION 3. Amends Section 643.103(a), Transportation Code, to make a conforming change.

SECTION 4. Effective date: upon passage or September 1, 2005.