

## **BILL ANALYSIS**

C.S.H.B. 1070  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under the current Texas Occupations Code there are only two classes of amusement rides. This class system lumps low-risk, amusement rides into the same class as roller coasters. Thus, the owners and operators of small rides are forced to acquire and pay for the same high-cost insurance policies as though they operated high-speed/high-risk roller coasters.

C.S.H.B. 1070 would create a new criteria for certain amusement rides that operate in a manner similar to a train. This criteria would ensure that the ride poses minimal risk to safety. The bill also states the insurance requirements that correspond to these certain types of low-risk amusement rides

### **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**

C.S.H.B. 1070 relates to the liability insurance requirements for certain amusement rides that operate in a manner similar to a train.

The bill first amends the Texas Occupations Code by adding an exception to Section 2151.101 (a), which states "except as provided by Section 2151.1011,".

The bill then adds Section 2151.1011 which concerns liability insurance for certain amusement rides. This section only applies to a Class B amusement ride that has the following characteristics and/or qualifications: consists of a motorized vehicle that tows one or more separate passenger cars in a manner similar to a train, but without regard to whether the vehicle and cars operate on a fixed track or course; does not travel under its own power in excess of five miles per hour, has safety belts for all passengers; does not run on an elevated track; and has passenger seating areas enclosed by guardrails or doors; and does not have passenger cars that rotate independently from the motorized vehicle.

The bill goes on to state that a person may not operate an amusement ride described by Subsection (a) unless the person has an insurance policy currently in effect written by an insurance company authorized to conduct business in this state or by a surplus lines insurer, as defined by Chapter 981 of the Texas Insurance Code, or has an independently procured policy subject to Chapter 101 of the Texas Insurance Code, insuring the owner or operator against liability for injury to persons arising out of the use of the amusement ride in an amount of not less than \$1 million in aggregate for all liability claims occurring in a policy year.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute to H.B. 1070 makes two substantive changes. First, it lowers the required speed limit from 10 miles per hour to five miles per hour for an amusement ride to qualify as a Class B amusement ride. C.S.H.B. 1070 also adds a sixth qualifier to a Class B amusement ride which states that the ride does not have passenger cars that rotate independently from the motorized vehicle.