

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 22, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB502** by Averitt (relating to minimum insurance coverage amounts to establish evidence of financial responsibility under the Texas Motor Vehicle Safety Responsibility Act. ),  
**Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code, Section 601.072, relating to minimum insurance coverage amounts to establish evidence of financial responsibility.

The bill would change the minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility from: 1) \$20,000 to \$25,000 for bodily injury to or death of one person in one accident; 2) from \$40,000 to \$50,000 for bodily injury to or death of two or more persons in one accident, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and 3) from \$15,000 to \$25,000 for damage to or destruction of property of others in one accident.

The bill states that effective January 1, 2011, the minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility would be \$30,000 for bodily injury to or death of one person in one accident; 2) \$60,000 for bodily injury to or death of two or more persons in one accident, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and 3) \$25,000 for damage to or destruction of property of others in one accident.

The Department of Public Safety and the Department of Insurance have both determined that the cost of implementing the provisions of the bill would not be significant. It is assumed that these costs can be absorbed within each agency's current appropriations.

The bill would take effect on September 1, 2007.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety, 454 Department of Insurance

**LBB Staff:** JOB, LG, SK, JRO, GG