

BILL ANALYSIS

H.B. 586
By: Naishtat
Insurance
Committee Report (Amended)

BACKGROUND AND PURPOSE

Current law provides that a person commits an offense by operating a vehicle without insurance or other proof of financial responsibility. If a defendant is convicted a second or subsequent time for such an offense, the court must order the sheriff to impound the defendant's vehicle until the defendant can produce evidence of financial responsibility covering the two-year period immediately following the date the defendant applies for the vehicle's release. However, most insurance policies are written to cover a six-month period, which potentially inhibits a defendant from obtaining the necessary insurance to allow for the release of the impounded vehicle.

H.B. 586 reduces the period of time for which a defendant must provide evidence of financial responsibility when applying for release of an impounded vehicle from two years immediately following the date the defendant applies for release of the vehicle to six months following that date.

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

H.B. 586 amends the Transportation Code to reduce the period of time for which a defendant must provide evidence of financial responsibility when applying for release of a vehicle impounded for failure to maintain such evidence from two years immediately following the date the defendant applies for release of the vehicle to six months following that date.

EFFECTIVE DATE

September 1, 2009.

EXPLANATION OF AMENDMENTS

Committee Amendment No.1

H.B. 586 is amended to remove the change in the period of time for which a defendant must provide evidence of financial responsibility. The bill is amended to require the court by order to permit a defendant to provide evidence of insurability in increments of a period of not less than six months.