

BILL ANALYSIS

C.S.H.B. 641
By: Veasey
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recent legislation requires contract carriers transporting train operating crews to carry at least \$1.5 million in liability coverage. Concerns have been expressed that this coverage amount does not reflect that the vehicle a contract carrier generally uses is a small passenger van designed to carry up to eight passengers and that trips may cover long distances and take several hours. C.S.H.B. 641 seeks to better protect the passengers in a contract carrier's vehicle by revising an insurance requirement for such carriers.

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. 641 amends the Transportation Code, in provisions setting out the requirements for Department of Public Safety rules regulating the operation of a contract carrier that transports an operating employee of a railroad on a Texas road or highway in a vehicle designed to carry 15 or fewer passengers, to increase from \$1.5 million to \$3 million the minimum amount of liability insurance that the rules must require such a carrier to maintain for each vehicle.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 641 omits a provision included in the original, in statutory provisions setting out the requirements for Department of Public Safety rules regulating the operation of a contract carrier that transports an operating employee of a railroad on a Texas road or highway in a vehicle designed to carry 15 or fewer passengers, adding the requirement that such a contract carrier maintain for each vehicle, at a minimum, uninsured or underinsured motorist coverage in the amount of \$300,000.