

BILL ANALYSIS

S.B. 860
By: Johnson
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When a vehicle is damaged and towed to a vehicle storage facility, an insurance company contracts a vehicle reselling company to pick up the damaged vehicle and sell it on the insurance company's behalf. Current law classifies this type of business-to-business shipping or delivery as a "prearranged shipping transaction" and exempts tow trucks from permit requirements under the Texas Department of Licensing and Regulation. This type of transaction is currently not defined, leading to inconsistent procedures, delays, and refusals to release vehicles by the vehicle storage facility. Avoiding delays during the process of shipping damaged vehicles becomes especially important during natural disasters, such as hurricanes, hailstorms, tornados, and other severe weather events. When thousands of vehicles are being stored at expanded vehicle storage facilities, the refusal to release vehicles ultimately results in larger backlogs, accrual of additional days of storage fees, and longer waiting periods before an insured Texan can arrange for a replacement vehicle. S.B. 860 seeks to address this issue by clarifying the definition of "prearranged shipping transaction" to prevent costly delays and to enable more cost-efficient transport and processing of damaged vehicle claims and sales.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

S.B. 860 amends the Occupations Code to exempt from the Texas Towing and Booting Act any car hauler that is used solely to transport, other than in a consent or nonconsent tow, motor vehicles as cargo in the course of a prearranged shipping or delivery transaction, which includes a commercial transaction for transport arranged or authorized by one business for the shipping or delivery of a damaged vehicle to another business.

EFFECTIVE DATE

September 1, 2021.