

SUBJECT: Insurance requirements for temporary vehicle registration

COMMITTEE: Transportation — committee substitute recommended

VOTE: 8 ayes — Alexander, Siebert, Edwards, Finnell, Hawley, Hill, Pickett, Uher
0 nays
1 absent — Hartnett

WITNESSES: None

BACKGROUND : Temporary motor vehicle permits may be issued on a one-trip or monthly basis by the county tax assessor-collector or the Department of Transportation (TxDOT). One-trip permits cost \$5; monthly permits cost \$25.

Texas law requires that every driver carry liability insurance covering \$20,000 per injured person, up to \$40,000 for everyone in an accident, and \$15,000 for property damage. Drivers can also post a bond in these amounts to show proof of financial responsibility.

DIGEST: CSHB 2067 would require a person attempting to obtain a temporary motor vehicle permit to show proof of financial responsibility, such as a valid insurance liability policy or similar document. Persons could obtain permits from any TxDOT vehicle title and registration regional office.

CSHB 2067 would allow TxDOT to adopt necessary rules to administer these requirements, including developing permit applications and other forms.

CSHB 2067 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

SUPPORTERS SAY: CSHB 2067 is needed to correct a loophole in the temporary motor vehicle registration law that allows persons to obtain permits without proof of insurance. Recent reports have shown that over 20 percent of Texas drivers do not have mandatory insurance coverage. It would be unfair to the vast

majority of vehicle drivers, owners, and operators in Texas for this loophole in the registration law to continue to exist. Not only would equal treatment for all vehicle owners and operators be preserved by mandating proof of financial responsibility, but those who obtain such permits would be able to compensate people they injured or any property damage they caused while using the temporary permit.

OPPONENTS SAY: No apparent opposition.

NOTES: The committee substitute deleted the option of posting a bond to meet financial responsibility requirements.