

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 1418  
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State Affairs  
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Committee Report (Substituted)

### **DIGEST**

The 74th Legislature passed legislation which dealt with the regulation of motor carriers. Article 6675s, V.T.C.S., provides annual registration requirements, liability and cargo insurance requirements and consumer protection requirements for motor carriers transporting household goods for commercial hire. This bill registers all household goods movers regardless of size and gross vehicle weight of the equipment.

### **PURPOSE**

As proposed, H.B. 1418 sets forth provisions regarding the regulations of motor carriers of household goods.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Department of Transportation in SECTIONS 1 and 4 (Section 3(e) and 8(c), Article 6675c, V.T.C.S.) and to the executive director of TxDOT in SECTION 7 (Section 5(c), Article 6675d, V.T.C.S.) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 3(a) and (e), Article 6675c, V.T.C.S., to prohibit a motor carrier from operating a commercial motor vehicle as defined by Section 548.001, Transportation Code, or certain other vehicles on a road or highway of this state unless certain conditions are met. Requires the Texas Department of Transportation (TxDOT) to adopt simplified procedures for the registration of motor carriers transporting household goods as agents for carriers required to register under this article.

SECTION 2. Amends Sections 4(a), (b), and (d), Article 6675c, V.T.C.S., to require a motor carrier that is required to register under Section 3 of this article to maintain liability insurance in an amount set by TxDOT for each vehicle requiring registration that the carrier operates. Makes conforming changes.

SECTION 3. Amends Section 7(a), Article 6675c, V.T.C.S., to authorize TxDOT to suspend or revoke a registration issued under this article if a motor carrier fails to maintain insurance or proof of financial responsibility as required by Section 4(a) or (b) or Section 8(c)(5) of this article.

SECTION 4. Amends Sections 8, Article 6675e, V.T.C.S., by amending Subsections (c) and (f) and adding Subsection (g), to require TxDOT to adopt rules to protect consumers who use the services of a motor carrier who is transporting household goods for compensation, rather than a motor carrier who is compensated and required to register under Section 3 of this article. Deletes provisions regarding carriers transporting household goods. Requires TxDOT rules to include a requirement for a motor carrier transporting household goods to list certain information in any print advertising published in this state; and measures relating to the financial liability of a motor carrier required to register under this section. Requires TxDOT to appoint a rules advisory committee. Sets forth the composition and duties of the committee. Authorizes TxDOT to adopt rules to govern the operations of the advisory committee (committee). Deletes provisions regarding collective rate making agreements. Requires TxDOT to require motor carriers who are not required to register under Section 3 of this article to register their operators before transporting household goods for

compensation. Requires TxDOT to determine the forms and procedures for such registration. Requires TxDOT to charge a motor carrier who registers under this subsection a fee that does not exceed the total of the fees imposed by Section 3 of this article.

SECTION 5. Amends Section 10, Article 6675c, V.T.C.S., to provide that a person commits an offense if the person commits certain acts, including failing to register as required by Section 8 of this article to maintain insurance or proof of financial responsibility as required by Section 8 of this article. Provides that a person commits an offense if the person solicits the transportation of household goods for compensation without being registered as required by Section 3 or 8 of this article. Makes a conforming change.

SECTION 6. Amends Section 1(1), Article 6675d, V.T.C.S. to redefine "commercial motor vehicle."

SECTION 7. Amends Section 5, Article 6675d, V.T.C.S., by adding Subsection (c), to require certain rules adopted by the executive director of TxDOT under this article to be complied with by a motor carrier as defined by Section 1, Article 6675c, V.T.C.S., of household goods not using a commercial motor vehicle as defined by Section 548.001, Transportation Code.

SECTION 8. Requires the study requires by Section 8(f)(2), Article 6675c, V.T.C.S., as added by this Act, to be completed not later than July 1, 1998, and any resulting rules shall be made to take effect January 1, 1997.

SECTION 9. Effective date: September 1, 1997.

SECTION 10. Emergency clause.

## **SUMMARY OF COMMITTEE CHANGES**

### SECTION 1.

Amends Sections 3(a) and (e), Article 6675c, V.T.C.S., to delete a provision prohibiting a motor carrier from operating any vehicle transporting household goods for compensation.

Adds new SECTIONS 2 and 3, renumbers proposed SECTION 2 as new SECTION 4, and renumbers subsequent sections accordingly.

### SECTION 2.

Amends Sections 4(a), (b), and (d), Article 6675c, V.T.C.S., to require a motor carrier that is required to register under Section 3 of this article to maintain liability insurance in an amount set by TxDOT for each vehicle requiring registration that the carriers operates. Makes conforming changes.

### SECTION 3.

Section 7(a), Article 6675c, V.T.C.S., to authorize TxDOT to suspend or revoke a registration issued under this article if a motor carrier fails to maintain insurance or proof of financial responsibility as required by Section 4(a) or (b) or Section 8(c)(5) of this article.

### SECTION 4.

Amends Section 8, Article 6675c, V.T.C.S., to require TxDOT to adopt rules to protect consumers who use the services of a motor carrier who is transporting household goods for compensation, rather than a a motor carrier who is required to register under Section 3 of this article and receives compensation. Sets forth additional requirements for TxDOT rules relating to motor carriers transporting household good. Sets forth provisions requiring the

committee to perform certain functions. Sets forth requirements of TxDOT regarding the registration of motor carriers.

Adds new SECTIONS 5.

#### SECTION 5.

Amends Section 10, Article 6675c, to provide that a person commits an offense if the person fails to register as required by Section 8 of this article, fails to maintain proof of financial responsibility as required by Section 8 of this article, or solicits the transportation of household goods for compensation without being registered as required by Section 3 or 8 of this article.

Redesignates proposed SECTION 3 as new SECTION 6.

#### SECTION 6.

Amends Section 1(1), Article 6675d, V.T.C.S., to redefine "commercial motor carrier."

Adds new SECTIONS 7 and 8.

#### SECTION 7.

Amends Section 5, Article 6675d, V.T.C.S., to sets forth provisions regarding rules adopted under this article.

#### SECTION 8.

Requires the study required by Section 8(f)(2), Article 6675c, V.T.C.S., as added by this Act to be completed not later than July 1, 1998 and any resulting rules shall be made to take effect January 1, 1999.

Adds new SECTION 9 to set forth the effective date.

Adds new SECTION 10 to set forth the emergency clause.