

BILL ANALYSIS

Senate Research Center

S.B. 1427
By: Nelson
Economic Development
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As Filed

DIGEST

Currently, Texas law requires all drivers to have proof of financial responsibility, usually through a liability insurance policy. This proof must be provided in order to renew a driver's license, register a car or have a car inspected. However, some drivers are circumventing the law by purchasing liability insurance in order to accomplish the above and then cancelling the policy, thereby driving uninsured. This bill would prohibit a driver involved in a motor vehicle accident from recovering noneconomic damages or exemplary damages if the person was not able to show proof of financial responsibility at the time of the accident.

PURPOSE

As proposed, S.B. 1427 prohibits a driver involved in a motor vehicle accident from recovering noneconomic damages or exemplary damages if the person was not able to show proof of financial responsibility at the time of the accident.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 601A, Transportation Code, by adding Section 601.0085, as follows:

Sec. 601.0085. LIABILITY FOR INJURY TO OPERATOR WHO FAILS TO MAINTAIN FINANCIAL RESPONSIBILITY. Prohibits a person from obtaining noneconomic damages or exemplary damages in a civil action for bodily injury, death, or damage to or destruction of property arising out of a motor vehicle accident if, at the time of the accident, the person is the operator of a motor vehicle involved in the accident; and is operating the motor vehicle in violation of Section 601.051. Provides that Subsection (a) applies to a claim for damages made by a person whose right to recovery derives from an injury to a person whose right to recovery of noneconomic and exemplary damages would be barred under Subsection (a). Defines "exemplary damages" and "noneconomic damages."

SECTION 2. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 3. Emergency clause.