

## **BILL ANALYSIS**

Senate Research Center

S.B. 1486  
By: Bivins  
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### **DIGEST**

Currently, the Texas Department of Transportation is responsible for the registration of motor carriers and the Department of Public Safety is charged with enforcing motor carrier laws. This bill addresses certain concerns raised by these two agencies regarding registration requirements, enforcement authority, workers' compensation, and indemnification.

### **PURPOSE**

As proposed, S.B. 1486 sets forth provisions regarding the regulation of motor carriers.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Department of Transportation in SECTIONS 2, 3, 8, and 13 (Sections 3(1), 3A(b) and (d), and 15(a) Article 6675c, V.T.C.S., and Section 548.002(a), Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2, Article 6675c, V.T.C.S., to provide that this article does not apply to a motor vehicle registered used to transport passengers operated by an entity whose primary function is not the transportation of passengers, and a vehicle transporting liquor under a private carrier permit issued under Chapter 42, Alcoholic Beverage Code. Makes standard recodification changes.

SECTION 2. Amends Section 3, Article 6675c, V.T.C.S., by adding Subsections (l) and (m), to authorize the Texas Department of Transportation (TxDOT) to vary the registration period under this section by adopting certain rules. Prohibits a foreign-based international motor carrier required to register under this article or registered under Article 6675c-1, V.T.C.S., from transporting persons or cargo in intrastate commerce in this state.

SECTION 3. Amends Article 6675c, V.T.C.S., by adding Section 3A, as follows:

Sec. 3A. VEHICLES OPERATED UNDER SHORT-TERM LEASE AND SUBSTITUTE VEHICLES. Defines "leasing business" and "short-term lease." Provides that a vehicle requiring registration operating under a short-term lease is exempt from the normal registration requirements of Section 3 of this article. Requires TxDOT to adopt rules providing for the operation of the vehicles under flexible procedures. Provides that a vehicle requiring registration operating under a short-term lease is not required to carry certain proof of registration if a copy of the lease agreement is carried in the cab of the vehicle. Authorizes a motor carrier to operate a substitute vehicle without notifying TxDOT in advance under certain conditions. Provides that a substitute vehicle is not required to carry proof of registration under certain conditions. Requires TxDOT to adopt rules that allow a leasing business to report annually to the department regarding certain leasing information. Prohibits the rules from requiring the vehicles operated from being described with particularity. Authorizes the registration fee for each vehicle operated to be paid at the time the report is filed. Authorizes certain leasing businesses to comply with the liability insurance requirements of Section 4 by completing certain tasks. Requires the rules adopted under this section to possess certain qualities.

SECTION 4. Amends Section 4(j), Article 6675c, V.T.C.S., to prohibit TxDOT from requiring a motor carrier required to register under this article to carry workers' compensation or similar insurance coverage. Provides that notwithstanding any provision, rather than contrary provision, of any law or regulation, including Section 406.096, Labor Code, a motor carrier required to register under this article may provide health and accident coverage for its employees instead of workers' compensation insurance for any contract with this state or a political subdivision of this state.

SECTION 5. Amends Section 6(a), Article 6675c, V.T.C.S., to authorize TxDOT to impose an administrative penalty against certain motor carriers who violate a provision of Section 3A of this article.

SECTION 6. 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 violated a rule adopted under Section 3A.

SECTION 7. Amends Section 13(a), Article 6675c, V.T.C.S., to make a conforming change.

SECTION 8. Amends Section 15, Article 6675c, V.T.C.S., to authorize the rules to authorize the use of escrow accounts described by Subsection (b) of this section. Authorizes TxDOT to establish one or more escrow accounts in the state highway fund for the prepayment of a fee under this article. Requires prepaid fees and any fees established by TxDOT for the administration of this section to be administered and deposited in a certain manner. Makes a conforming change.

SECTION 9. Amends Article 6675c-1, V.T.C.S., to make conforming changes.

SECTION 10. Amends Section 6, Article 6675d, V.T.C.S., as follows:

Sec. 6. New heading: CERTIFICATION OF MUNICIPAL POLICE OFFICERS. Requires TxDOT to establish procedures, including training, for the certification of municipal police officers, rather than peace officers, to enforce this article. Makes conforming changes.

SECTION 11. Amends Section 1(5), Article 6675d, V.T.C.S., to redefine "federal motor carrier safety regulation."

SECTION 12. Amends Section 548.001(1), Transportation Code, to redefine "commercial motor vehicle."

SECTION 13. Amends Section 548.002, Transportation Code, to authorize TxDOT, by rule, to exempt certain vehicles for the regulation under this chapter under certain conditions.

SECTION 14. Amends Chapter 623B, Transportation Code, by adding Section 623.0155, as follows:

Sec. 623.0155. INDEMNIFICATION FORM MOTOR CARRIER PROHIBITED. Prohibits a person from requiring indemnification for a motor carrier as a condition to perform certain actions. Provides that this section does not apply to certain claims, services, or goods. Defines "motor carrier." Provides that a provision that is contrary to Subsection (a) is not enforceable.

SECTION 15. Sets forth provisions relating to a reference in law to the federal Interstate Commerce Commission.

SECTION 16. (a) Provides that this Act conforms Chapter 623, Transportation Code, to Section 28, Chapter 705, V.T.C.S.

(b) Provides that to the extent of any conflict between this Act and another Act of the 75th Legislature, this Act prevails.

(c) Repealer: Section 28, Chapter 705, Acts of the 74 Legislature, 1995.

SECTION 17. Effective date: September 1, 1997.

SECTION 18. Emergency clause.