

CHAPTER 579

H.B. No. 1294

AN ACT

relating to mandatory proof of financial responsibility for a motor vehicle.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Sections 1C, 1F, 4, 7A, and 29, Texas Motor Vehicle Safety-Responsibility Act (Article 6701h, Vernon's Texas Civil Statutes), are amended to read as follows:

Sec. 1C. FAILURE TO MAINTAIN FINANCIAL RESPONSIBILITY. (a) Failure to maintain financial responsibility as defined in Section 1(10) of this Act is a Class C misdemeanor, punishable by a fine of not less than Seventy-five Dollars (\$75). Subse-

quent offenses shall be Class B misdemeanors, punishable by a fine of not less than Two Hundred Dollars (\$200).

(b) *In addition to the fine levied under Subsection (a) of this section, a person convicted of a violation of that subsection shall pay a sum of Seventy-five Dollars (\$75) as costs of court to be collected in addition to other taxable court costs at the same time and in the same manner as fines and other court costs.*

(c) *The officer collecting the costs in a municipal court case shall keep separate records of the funds collected as costs under Subsection (b) of this section and shall deposit the funds in the municipal treasury. The officer collecting the costs in a justice, county, or district court case shall keep separate records of the funds collected as costs under Subsection (b) of this section and shall deposit the funds in the county treasury. On receipt, the custodians of the municipal and county treasuries may deposit the funds collected under Subsection (b) of this section in interest-bearing accounts. The custodians shall keep records of the amount of funds on deposit collected under Subsection (b) of this section and shall on or before the last day of the month following each calendar quarter, report and remit to the Comptroller of Public Accounts ninety percent (90%) of the funds collected under Subsection (b) of this section during the preceding quarter in the same manner as fees collected under Section 9B, Chapter 546, Acts of the 59th Legislature, Regular Session, 1965 (Article 4413(29aa), Vernon's Texas Civil Statutes). Each city and county collecting funds under Subsection (b) of this section may retain ten percent (10%) of the funds collected under Subsection (b) of this section as a service fee for the collection. The city or county may also retain all interest accrued on the funds. All funds collected are subject to audit by the Comptroller of Public Accounts, who is specifically authorized to adopt rules to ensure efficient and proper reporting and remitting of those funds.*

(d) *The Comptroller of Public Accounts shall deposit the funds received under Subsection (b) of this section in the Operator's and Chauffeur's License Fund. Those funds are permanently dedicated to the Department of Public Safety.*

(e) *The court shall require payment of a Ten Dollar (\$10) fee before dismissing proceedings under Subsection (a) of this section. The fee collected by a municipal court under this subsection shall be deposited in the municipal treasury. The fee collected by another court under this subsection shall be deposited in the county treasury of the county in which the court collecting the fee is located. Money deposited under this subsection may be used by the court that collected the money to defray expenses incurred in administering this section.*

Sec. 1F. **SUSPENSION OF DRIVER'S LICENSE AND MOTOR VEHICLE REGISTRATION.** A *second or subsequent* conviction of failure to maintain financial responsibility shall also carry a suspension of driver's license and motor vehicle registration unless the defendant establishes and maintains proof of financial responsibility for *two [five]* years from the date of conviction. The requirement for filing proof of financial responsibility may be waived if satisfactory evidence is filed with the Department that the party convicted was at the time of arrest covered by a policy of liability insurance or was otherwise exempt as provided in Section 1A(b) of this Act.

Sec. 4. **REPORT REQUIRED FOLLOWING ACCIDENT; AVAILABILITY OF INFORMATION.** (a) The operator of every motor vehicle which is in any manner involved in an accident within the State not investigated by a law enforcement officer, in which any person is killed or injured or in which damage to the property of any one person, including himself, to an apparent extent of at least *Five Hundred Dollars (\$500) [Two Hundred Fifty Dollars (\$250)]* is sustained, shall within ten (10) days after such accident report the matter in writing to the Department. Such report, the form of which shall be prescribed by the Department, shall contain information to enable the Department to determine whether the requirements for the deposit of security under Section 5 are inapplicable by reason of the existence of insurance or other exceptions specified in this Act. Any written report of accident in accordance with Section 44, Uniform Act Regulating Traffic on Highways (Article 6701d, Vernon's Texas Civil Statutes), if actually made to the Department, shall be sufficient provided it also contains the information required herein. The Department may rely upon the accuracy of the information unless and until it has

reason to believe that the information is erroneous. If such operator be physically incapable of making such report, the owner of the motor vehicle involved in such accident shall, within ten (10) days after learning of the accident, make such report. The operator or the owner shall furnish such additional relevant information as the Department shall require.

(b) *Accident reports that are released for insurance purposes, other than investigation of a specific accident, shall reflect only those accidents as a result of which the insured was issued a citation for a violation of the Uniform Act Regulating Traffic on Highways (Article 6701d, Vernon's Texas Civil Statutes).*

Sec. 7A. REINSTATEMENT—FEES. Whenever a license or registration, or nonresident's operating privilege is suspended [~~and the filing of proof of financial responsibility is,~~] under this Article, [~~made a prerequisite to reinstatement thereof, or to the issuance of a new license or registration,~~] no such license or registration, or nonresident's operating privilege shall be reinstated or new license or registration shall be issued unless the licensee or registrant or nonresident, in addition to complying with other provisions of this Article, pays to the Department a fee of *Fifty Dollars (\$50)* [~~Twenty Dollars (\$20)~~] in addition to any other fees which may be required by law. Only one such fee shall be paid by any one person regardless of the number of licenses and registrations to be reinstated for or issued to such person in connection with such payment.

The fees paid pursuant to this Section shall be used by the Department to administer the provisions of this Article.

Sec. 29. DURATION OF PROOF—WHEN PROOF MAY BE CANCELLED OR RETURNED. The Department shall upon request consent to the immediate cancellation of any bond or certificate of insurance, or the Department shall direct and the State Treasurer shall return to the person entitled thereto any money or securities deposited pursuant to this Act as proof of financial responsibility, or the Department shall waive the requirement of filing proof, in any of the following events:

1. At any time after *two (2)* [~~five (5)~~] years from the date such proof was required when, during the *two-year* [~~five-year~~] period preceding the request, the Department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license, registration or nonresident's operating privilege of the person by or for whom such proof was furnished; or

2. In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle; or

3. In the event the person who has given proof surrenders his license and registration to the Department;

Provided, however, that the Department shall not consent to the cancellation of any bond or the return of any money or securities in the event any action for damages upon a liability covered by such proof is then pending or any judgment upon any such liability is then unsatisfied, or in the event the person who has filed such bond or deposited such money or securities has, within two (2) years immediately preceding such request, been involved as an operator or owner in any motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the nonexistence of such facts, or that he has been released from all of his liability, or has been finally adjudicated not to be liable, for such injury or damage, shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the Department.

Whenever any person whose proof has been cancelled or returned under Subdivision 3 of this Section applies for a license or registration within a period of *two (2)* [~~five (5)~~] years from the date proof was originally required, any such application shall be refused unless the applicant shall re-establish such proof for the remainder of such *two-year* [~~five-year~~] period.

SECTION 2. Subsections (a) and (b), Section 5, Texas Motor Vehicle Safety-Responsibility Act (Article 6701h, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) If twenty (20) days after the receipt of a report of a motor vehicle accident within this State which has resulted in bodily injury or death, or damage to the property of any

the amount of security that will be sufficient to satisfy any judgment or judgments for damages resulting from the accident, but in no event less than *One Thousand Dollars (\$1,000)* [~~Two Hundred Fifty Dollars (\$250)~~], that may be recovered from the person requesting the hearing. The officer who presides at the hearing shall report the findings in the case to the Department. Notice as required by this paragraph shall be served personally on the person or mailed by certified mail, return receipt requested, to the person's last known address, as shown by the records of the Department.

If, after a hearing, the determination is that there is a reasonable probability of a judgment being rendered against the person as a result of the accident, the person may appeal the findings to the county court of the county in which the hearing was held and the appeal shall be de novo.

If a written request for a hearing is not delivered or mailed to the Department within twenty (20) days after personal service or the mailing of notice and the person has not established within that time that the provisions of this section do not apply to him or if within twenty (20) days after a hearing and exhaustion of the appeal procedure, if an appeal is made in which the decision is against the person requesting the hearing, security and proof of financial responsibility are not deposited with the Department, the Department shall suspend the person's license to operate a motor vehicle, the vehicle registration, or nonresident's operating privilege until the person complies with the provisions of this Act.

Notice of such suspension shall be sent by the Department to such operator and owner not less than ten (10) days prior to the effective date of such suspension and shall state the amount required as security and the necessity for proof of financial responsibility. Where erroneous information is given the Department with respect to the matters set forth in subdivisions 2, 3, and 4 of Subsection (c) of this Section, it shall take appropriate action as hereinbefore provided, within sixty (60) days after receipt by it or correct information with respect to said matters.

The determination by the Department or by a person presiding at a hearing of the question of whether there is a reasonable probability of a judgment being rendered against a person as a result of an accident may not be introduced in evidence in any civil suit for damages arising from the accident.

SECTION 3. Subsection (a), Section 36, Texas Motor Vehicle Safety-Responsibility Act (Article 6701h, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) *Except for fees collected under Section 1C(e) of this Act, the [All] fees and charges required by this Act shall be remitted without deduction to the Department at Austin, Texas, and all such fees so collected shall be deposited in the Treasury of the State of Texas to the credit of a fund to be known as the Operator's and Chauffeur's License Fund. In addition to statutory recording fees of county clerks required in Section 24, any [filing with, certification or notice to the Department in compliance with any of the provisions of this Act, or] request for certified abstract of operating record required in Section 3[~~except report of accident required in Section 4,~~] shall be accompanied by a fee of Twenty Dollars (\$20) for each transaction. Statutory fees required by the State Department of Highways and Public Transportation in furnishing certified abstracts or in connection with suspension of registrations, or such statutory fees which shall become due the State Treasurer for issuance of certificates of deposits required in Section 25, shall be remitted from such Fund.*

SECTION 4. Subsection (c), Section 17, Texas Motor Vehicle Safety-Responsibility Act (Article 6701h, Vernon's Texas Civil Statutes), is amended to read as follows:

(c) Licenses and registrations suspended or revoked [~~under this Section~~] shall remain suspended or revoked and shall not at any time thereafter be renewed nor shall any license be thereafter issued to such person, nor shall any motor vehicle be thereafter registered in the name of such person until permitted under the Motor Vehicle Laws of this State and not then unless and until he shall give and thereafter maintain proof of financial responsibility.

SECTION 5. (a) This Act takes effect September 1, 1987.

(b) A court may not assess the fee required by this Act for offenses allegedly committed before the effective date of this Act. For purposes of this section, an offense is committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 6. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 7, 1987, by the following vote: revenue dedication: Yeas 129, Nays 2, 2 present, not voting; remainder of the bill: non-record vote; that the House refused to concur in Senate amendments to H.B. No. 1294 on May 28, 1987, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1294 on June 1, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 26, 1987, by a viva-voce vote; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1294 on June 1, 1987, by a viva-voce vote.

Approved June 18, 1987.

Effective Sept. 1, 1987.