

- SUBJECT:** Prohibiting impound of a vehicle only for no evidence of insurance
- COMMITTEE:** Public Safety — committee substitute recommended
- VOTE:** 7 ayes — Merritt, Burnam, Driver, Lewis, Mallory Caraway, Rodriguez, Vo
1 nays — P. King
1 absent — Frost
- WITNESSES:** For — (*Registered, but did not testify:* Laura Martin, ACLU of Texas; Annie Spillman, Independent Insurance Agents of Texas)
Against — none
On — Ron Joy, Texas Department of Public Safety – Highway Patrol
- BACKGROUND:** Transportation Code, sec. 601.053 requires a driver to show evidence of financial responsibility to a peace officer that requests the information. A driver who does not exhibit evidence as listed is presumed to have violated state laws regarding financial responsibility. An offense under the statute is a misdemeanor punishable by a fine not to exceed \$500, confinement in county jail for a term not to exceed six months, or both.
- DIGEST:** CSHB 1054 would provide that a document listed in existing statutes governing financial responsibility would be sufficient evidence to establish financial responsibility if the document:
- identified the operator of the vehicle as an insured or otherwise secured party, irrespective of whether the document identified the vehicle by make and model; or
 - identified the make and model of the vehicle as an insured or otherwise secured vehicle, irrespective of whether the document identified the operator by name.
- A document that specifically excluded the operator of a vehicle by name or age would not be adequate proof of financial responsibility.

A vehicle that was in violation of state laws governing financial responsibility could not be impounded by a peace officer for that offense alone.

The bill would take effect September 1, 2009.

**SUPPORTERS
SAY:**

HB 1054 would rein in overly burdensome and confusing practices associated with enforcing state laws requiring insurance. Some major Texas cities, including Dallas and San Antonio, have adopted ordinances or other policies requiring a police officer to impound the vehicle of a person who failed to show evidence of financial responsibility. This practice has created a significant burden on the party whose car is impounded, since the person is then liable for a variety of fees and must make arrangements to retrieve the vehicle from a storage facility in addition to facing the standard punishments provided in law.

The bill also would clarify that a person who drove temporarily a vehicle with current insurance would be covered, unless specifically excluded on the policy statement. This would establish clear standards restricting an unfair practice taking place in some areas that involves ticketing drivers who are not themselves listed on an insurance card but who would be covered by insurance in the event of an accident.

Under current law, a person who is driving temporarily with legitimate coverage under the policy of a friend or family member, or who is covered but is temporarily without evidence of coverage, could have a vehicle impounded and be liable for the host of fines and other inconveniences associated with impoundment. The bill would resolve these issues by putting in place a simple, statewide standard regarding impounding vehicles for no evidence of insurance.

**OPPONENTS
SAY:**

CSHB 1054 would force a peace officer to release an uninsured driver who committed a traffic violation, where once again he or she would continue to be a hazard and liability for other drivers. The bill would establish a state prohibition against something that should be left to the discretion of peace officers and local governments, who can base their actions on specific issues that arise in their particular area. Some cities, for instance, have identified uninsured driving as a serious problem and have taken decisive actions to discourage drivers from operating a vehicle without insurance. These measures have included requiring or allowing a

peace officer to impound a vehicle that did not comply with laws requiring financial responsibility.

Some of these measures have proved effective for municipalities in addressing the serious and pervasive practice of driving without insurance. CSHB 1054 would place an unfortunate limitation on local governments' ability to enforce important public safety laws in their jurisdictions.

NOTES:

The bill as filed would have prohibited a peace officer from stopping or detaining a person who was the operator of a motor vehicle for the sole purpose of determining if the operator has sufficient financial responsibility. The committee substitute would prohibit a peace officer from impounding a vehicle only for an inability to show evidence of financial responsibility.