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AN ACT

relating to the amount of liability insurance required to be maintained on certain school buses owned by a motor carrier.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 643.101(b), Transportation Code, is amended to read as follows:

(b) Except as provided by Section 643.1015, the ~~The~~ department by rule may set the amount of liability insurance required at an amount that does not exceed the amount required for a motor carrier under a federal regulation adopted under 49 U.S.C. Section 13906(a)(1). In setting the amount the department shall consider:

- (1) the class and size of the vehicle; and
- (2) the persons or cargo being transported.

SECTION 2. Subchapter C, Chapter 643, Transportation Code, is amended by adding Section 643.1015 to read as follows:

Sec. 643.1015. AMOUNT REQUIRED FOR CERTAIN SCHOOL BUSES.

(a) This section applies only to a school bus that:

- (1) is owned by a motor carrier required to be registered under Subchapter B;
- (2) is in compliance with the requirements of Chapter 548; and
- (3) is operated exclusively within the boundaries of a municipality by a person who:

1 (A) holds a driver's license or commercial
2 driver's license of the appropriate class required for the
3 operation of the school bus; and

4 (B) meets the requirements of Section 521.022.

5 (b) The owner of a school bus shall maintain liability
6 insurance in the amount of at least \$500,000 combined single limit.

7 (c) In this section, "school bus" means a motor vehicle that
8 is operated by a motor carrier and used to transport preprimary,
9 primary, or secondary school students on a route between the
10 students' residences and a public, private, or parochial school or
11 day-care facility.

12 SECTION 3. Section 643.103(a), Transportation Code, is
13 amended to read as follows:

14 (a) A motor carrier that is required to register under
15 Subchapter B must file with the department evidence of insurance in
16 the amounts required by Section 643.101 or 643.1015, or evidence of
17 financial responsibility as described by Section 643.102, in a form
18 prescribed by the department. The form must be filed:

19 (1) at the time of the initial registration;

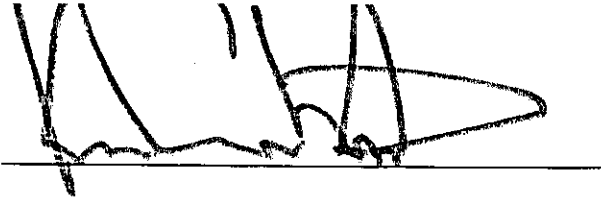
20 (2) at the time of a subsequent registration if the
21 motor carrier was required to be continuously registered under
22 Subchapter B and the carrier failed to maintain continuous
23 registration;

24 (3) at the time a motor carrier changes insurers; and

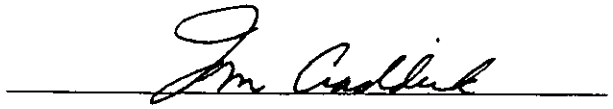
25 (4) at the time a motor carrier changes ownership, as
26 determined by rules adopted by the department.

27 SECTION 4. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2005.

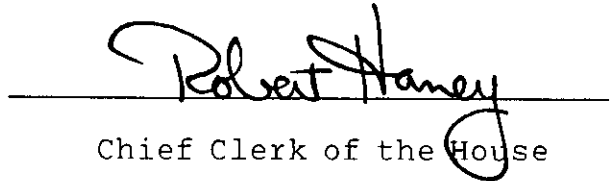


President of the Senate



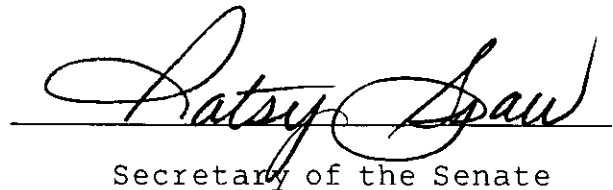
Speaker of the House

I certify that H.B. No. 1018 was passed by the House on April 22, 2005, by the following vote: Yeas 143, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1018 on May 16, 2005, by the following vote: Yeas 138, Nays 0, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 1018 was passed by the Senate, with amendments, on May 12, 2005, by the following vote: Yeas 31, Nays 0.



Secretary of the Senate

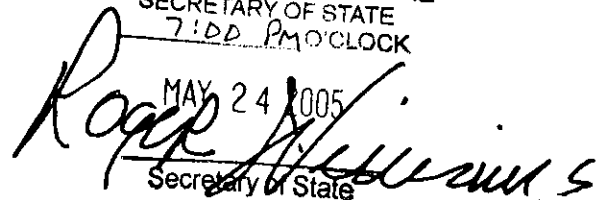
APPROVED: 24 MAY 05

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7:00 PM O'CLOCK



MAY 24 2005
Secretary of State