

BILL ANALYSIS

Senate Research Center
87R19374 JRR-F

C.S.S.B. 1814
By: Seliger
Transportation
4/15/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Vehicles exceeding legal size and/or weight limits must obtain an oversize and overweight permit from the Texas Department of Motor Vehicles (TxDMV). These vehicles are also required to file a surety bond with TxDMV in the instance that the vehicle damages a county or state road on which it is traveling.

Stakeholders believe these bonds provide little value to the state or counties as they create extra processes and costs for motor carriers and TxDMV. Additionally, because liability is not limited to the claim on a surety bond and losses may be recovered through other means, legislation should remove the requirement for the oversize and overweight bond. Furthermore, TxDMV is not aware of any cases where Texas counties have recovered losses from an accident by suing for the bond amount.

Therefore, S.B. 1814 removes outdated oversize and overweight permit bond requirements. However, oversize and overweight permit bonds will continue for operators not required to register as a motor carrier.

TxDmv currently operates a website that provides each individual county with information on permits that are being issued in that county. These include notice of permits for weight tolerance and manufactured housing permits.

While the website and its list of issued permits is a long-standing practice within the agency, it is not reflected in statute. As a result, S.B. 1814 updates Chapter 623, Transportation Code, to codify current standards.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1814 amends current law relating to oversize and overweight vehicle permits.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 1201.161(c), (d), and (e), Occupations Code, as follows:

(c) Requires the Texas Department of Motor Vehicles (TxDMV) to provide monthly to the manufactured housing division of the Texas Department of Housing and Community Affairs (TDHCA) a list of the permits issued in the preceding month and the information on the permits. Deletes existing text requiring TxDMV to send TDHCA monthly a copy of each permit issued in the preceding month for the movement of manufactured housing on the highways. Makes nonsubstantive changes.

(d) and (e) Makes conforming changes to these subsections.

SECTION 2. Amends Section 623.0112, Transportation Code, as follows:

Sec. 623.0112. **ADDITIONAL ADMINISTRATIVE FEE.** Requires a person, when the person applies for a permit under Section 623.011 (Permit for Excess Axle or Gross Weight), to pay in addition to other fees an administrative fee adopted by the board of TxDMV (board) rule in an amount not to exceed the direct and indirect cost to TxDMV of maintaining the list, rather than of notifying counties, under Section 623.013.

SECTION 3. Amends Section 623.012(b), Transportation Code, as follows:

(b) Requires that the bond or letter of credit:

(1) be in the amount of \$15,000 payable to the counties of this state, rather than payable to the Texas Department of Transportation (TxDOT) and the counties;

(2) be conditioned that the applicant will pay a county for any damage to a road or bridge of the county, rather than pay TxDOT for any damage to a state highway and a county for any damage to a road or bridge of the county, caused by the operation of the vehicle under certain circumstances; and

(3) provide that the issuer is to notify the county, rather than TxDOT, and the applicant in writing promptly after a payment is made by the issuer on the bond or letter of credit.

Makes nonsubstantive changes.

SECTION 4. Amends Section 623.013, Transportation Code, as follows:

Sec. 623.013. **New heading: LIST OF PERMITS ISSUED.** (a) Requires TxDMV to make available on TxDMV's Internet website a searchable and downloadable list by county of each permit issued under Section 623.011. Requires that the list, rather than the notice, include certain information for each permit, including the permit number and the effective date of the permit. Deletes existing text requiring TxDMV, not later than the 14th day after the date TxDMV issues a permit under Section 623.011, to notify the county clerk of each county listed in the application for the permit. Makes nonsubstantive changes.

(b) Requires TxDMV, on request of a county, to send a copy of the permit and the bond or letter of credit required for the permit to the county, rather than with the notice required by this section.

SECTION 5. Amends Section 623.015, Transportation Code, as follows:

Sec. 623.015. **LIABILITY FOR DAMAGE.** (a) Provides that the liability of a holder of a permit issued under Section 623.011 for damage to a county road, rather than damage to a state road or highway or a county road, is not limited to the amount of the bond or letter of credit required for the issuance of permit.

(b) Provides that the holder of a permit issued under Section 623.011 who has filed the bond or letter of credit required for the permit, rather than who has filed the bond or letter of credit required for the permit and who has filed the notice required by Section 623.013, is liable to the county only for the actual damage to a county road, bridge, or culvert with a load limitation established under Subchapter B (Weight Limitations) of Chapter 621 (General Provisions Relating to Vehicle Size and Weight) or Section 621.301 (County's Authority to Set Maximum Weights) caused by the operation of the vehicle in excess of the limitation.

SECTION 6. Amends Section 623.016, Transportation Code, as follows:

Sec. 623.016. RECOVERY ON PERMIT SECURITY. (a) Authorizes a county, rather than TxDOT or a county, to recover on the bond or letter of credit required for a permit issued under Section 623.011 only by a suit against the permit holder and the issuer of the bond or letter of credit.

(b) Provides that venue for a suit under this section, rather than suit by a county, is in a district court in certain counties. Deletes existing text providing that venue for a suit by TxDOT is in district court in the county in which the defendant resides, the county in which the defendant has its principal place of business in this state if the defendant is a corporation or partnership, or Travis County if the defendant is a corporation or partnership that does not have a principal place of business in this state.

SECTION 7. Reenacts Section 623.0711(g), Transportation Code, as amended by Chapters 1135 (H.B. 2741) and 1287 (H.B. 2202), Acts of the 83rd Legislature, Regular Session, 2013, and makes no further changes.

SECTION 8. Amends Section 623.075, Transportation Code, as follows:

Sec. 623.075. New heading: ADDITIONAL REQUIREMENTS FOR ISSUANCE OF PERMIT. (a) Authorizes TxDMV, except as provided by Subsection (b), to issue a permit under Subchapter D (Heavy Equipment) only to an applicant registered under Chapter 643 (Motor Carrier Registration). Makes conforming changes.

(b) Provides that Subsection (a), rather than this section, does not apply to a permit for:

(1) the driving or transporting of farm equipment that is being used for an agricultural purpose and is driven or transported by or under the authority of the owner of the equipment; or

(2) a vehicle or equipment that is not subject to Chapter 643 or Chapter 645 (Unified Carrier Registration), rather than a vehicle or equipment operated by a motor carrier registered under Chapter 643 or Chapter 645.

Deletes existing text providing that this section applies to the delivery of farm equipment to a farm equipment dealer. Makes conforming changes.

(c) Requires the applicant, before TxDMV issues a permit under Subchapter D for a vehicle or equipment described by Subsection (b)(2), to file with TxDMV a bond in an amount set by TxDOT, payable to TxDOT, and conditioned that the applicant will pay to TxDOT any damage that might be sustained to the highway because of the operation of the vehicle or equipment for which a permit is issued. Provides that venue of a suit for recovery on the bond is in Travis County.

SECTION 9. Amends Subchapter E, Chapter 623, Transportation Code, by adding Section 623.0975, as follows:

Sec. 623.0975. LIST OF PERMITS ISSUED. Requires TxDMV to make available on TxDMV's Internet website a searchable and downloadable list by county of each permit issued under Subchapter E (Manufactured and Industrialized Housing). Requires that the list include the following information for each permit:

(1) the permit number and issue date of the permit;

(2) the name of the person for whom the permit was issued;

(3) the length, width, and height of the manufactured house and the towing vehicle in combination;

- (4) the name of the owner of the house;
- (5) the model and year of manufacture of the house;
- (6) the complete identification or serial number, the United States Department of Housing and Urban Development label number, or the state seal number of the house; and
- (7) the origin county and address and destination county and address of the house.

SECTION 10. Amends Sections 623.323(b), Transportation Code, to require that the notification document required to be executed before certain permitted vehicles or combination of vehicles may be operated on a road maintained by a county or a state highway, at a minimum include certain information, including a description of the method of compliance by the financially responsible party with Section 601.051 (Requirement of Financial Responsibility), 623.012 (Security for Permit), 643.101 (Amount Required), or 643.102 (Self-Insurance).

SECTION 11. Repealer: Section 623.0711(f) (relating to requiring the board to require the motor carrier to file a certain bond paying to TxDOT any damage that is sustained to a state highway because of the operation of a vehicle under a permit), Transportation Code.

Repealer: Section 623.093(e) (relating to requiring TxDMV to send a copy of each permit for the transportation of a manufactured house to the chief appraiser of the appraisal district in each county in which the transportation begins or ends), Transportation Code.

SECTION 12. Effective date: September 1, 2021.