

TRANSPORTATION CODE

TITLE 7. VEHICLES AND TRAFFIC

SUBTITLE D. MOTOR VEHICLE SAFETY RESPONSIBILITY

CHAPTER 601. MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 601.001. SHORT TITLE. This chapter may be cited as the Texas Motor Vehicle Safety Responsibility Act.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.002. DEFINITIONS. In this chapter:

(1) "Department" means the Department of Public Safety.

(2) "Driver's license" has the meaning assigned by Section 521.001.

(3) "Financial responsibility" means the ability to respond in damages for liability for an accident that:

(A) occurs after the effective date of the document evidencing the establishment of the financial responsibility; and

(B) arises out of the ownership, maintenance, or use of a motor vehicle.

(4) "Highway" means the entire width between property lines of a road, street, or way in this state that is not privately owned or controlled and:

(A) some part of which is open to the public for vehicular traffic; and

(B) over which the state has legislative jurisdiction under its police power.

(5) "Motor vehicle" means a self-propelled vehicle designed for use on a highway, a trailer or semitrailer designed for use with a self-propelled vehicle, or a vehicle propelled by electric power from overhead wires and not operated on rails. The term does not include:

(A) a traction engine;

(B) a road roller or grader;

(C) a tractor crane;
(D) a power shovel;
(E) a well driller;
(F) an implement of husbandry; or
(G) an electric personal assistive mobility device, as defined by Section [551.201](#).

(6) "Nonresident" means a person who is not a resident of this state.

(7) "Nonresident's operating privilege" means the privilege conferred on a nonresident by the laws of this state relating to the operation of a motor vehicle in this state by the nonresident or the use in this state of a motor vehicle owned by the nonresident.

(8) "Operator" means the person in actual physical control of a motor vehicle.

(9) "Owner" means:

(A) the person who holds legal title to a motor vehicle;

(B) the purchaser or lessee of a motor vehicle subject to an agreement for the conditional sale or lease of the vehicle, if the person has:

(i) the right to purchase the vehicle on performing conditions stated in the agreement; and

(ii) an immediate right to possess the vehicle; or

(C) a mortgagor of a motor vehicle who is entitled to possession of the vehicle.

(10) "Person" means an individual, firm, partnership, association, or corporation.

(11) "State" means:

(A) a state, territory, or possession of the United States; or

(B) the District of Columbia.

(12) "Vehicle registration" means:

(A) a registration certificate, registration receipt, or number plate issued under Chapter [502](#); or

(B) a dealer's license plate or temporary tag

issued under Chapter [503](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1318, Sec. 6, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 793 (S.B. [1235](#)), Sec. 15, eff. September 1, 2009.

Sec. 601.003. JUDGMENT; SATISFIED JUDGMENT. (a) For purposes of this chapter, judgment refers only to a final judgment that is no longer appealable or has been finally affirmed on appeal and that was rendered by a court of any state, a province of Canada, or the United States on a cause of action:

(1) for damages for bodily injury, death, or damage to or destruction of property arising out of the ownership, maintenance, or use of a motor vehicle; or

(2) on an agreement of settlement for damages for bodily injury, death, or damage to or destruction of property arising out of the ownership, maintenance, or use of a motor vehicle.

(b) For purposes of this chapter, a judgment is considered to be satisfied as to the appropriate part of the judgment set out by this subsection if:

(1) the total amount credited on one or more judgments for bodily injury to or death of one person resulting from one accident equals or exceeds the amount required under Section [601.072\(a\)\(1\)](#) to establish financial responsibility;

(2) the total amount credited on one or more judgments for bodily injury to or death of two or more persons resulting from one accident equals or exceeds the amount required under Section [601.072\(a\)\(2\)](#) to establish financial responsibility; or

(3) the total amount credited on one or more judgments for damage to or destruction of property of another resulting from one accident equals or exceeds the amount required under Section [601.072\(a\)\(3\)](#) to establish financial responsibility.

(c) In determining whether a judgment is satisfied under Subsection (b), a payment made in settlement of a claim for damages for bodily injury, death, or damage to or destruction of property is

considered to be an amount credited on a judgment.

(d) For purposes of this section:

(1) damages for bodily injury or death include damages for care and loss of services; and

(2) damages for damage to or destruction of property include damages for loss of use.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.005. EVIDENCE IN CIVIL SUIT. A person at a trial for damages may not refer to or offer as evidence of the negligence or due care of a party:

(1) an action taken by the department under this chapter;

(2) the findings on which that action is based; or

(3) the security or evidence of financial responsibility filed under this chapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 533 (S.B. [312](#)), Sec. 50, eff. September 1, 2017.

Sec. 601.006. APPLICABILITY TO CERTAIN OWNERS AND OPERATORS. If an owner or operator of a motor vehicle involved in an accident in this state does not have a driver's license or vehicle registration or is a nonresident, the person may not be issued a driver's license or registration until the person has complied with this chapter to the same extent that would be necessary if, at the time of the accident, the person had a driver's license or registration.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.007. APPLICABILITY OF CHAPTER TO GOVERNMENT VEHICLES. (a) This chapter does not apply to a government vehicle.

(b) The provisions of this chapter do not apply to an officer, agent, or employee of the United States, this state, or a political subdivision of this state while operating a government vehicle in the course of that person's employment.

(c) The provisions of this chapter, other than Section 601.054, do not apply to a motor vehicle that is subject to Chapter 643.

(d) In this section, "government vehicle" means a motor vehicle owned by the United States, this state, or a political subdivision of this state.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.126(a), eff. Sept. 1, 1997.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 533 (S.B. 312), Sec. 51, eff. September 1, 2017.

Sec. 601.008. VIOLATION OF CHAPTER; OFFENSE. (a) A person commits an offense if the person violates a provision of this chapter for which a penalty is not otherwise provided.

(b) An offense under this section is a misdemeanor punishable by:

(1) a fine not to exceed \$500;

(2) confinement in county jail for a term not to exceed 90 days; or

(3) both the fine and the confinement.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.009. REPORT FROM OTHER STATE OR CANADA. (a) On receipt of a certification by the department that the operating privilege of a resident of this state has been suspended or revoked in another state or a province of Canada under a financial responsibility law, the department shall contact the official who issued the certification to request information relating to the specific nature of the resident's failure to comply.

(b) Except as provided by Subsection (c), the department shall suspend the resident's driver's license and vehicle registrations if the evidence shows that the resident's operating privilege was suspended in the other state or the province for violation of a financial responsibility law under circumstances that would require the department to suspend a nonresident's

operating privilege had the accident occurred in this state.

(c) The department may not suspend the resident's driver's license and registration if the alleged failure to comply is based on the failure of the resident's insurance company or surety company to:

(1) obtain authorization to write motor vehicle liability insurance in the other state or the province; or

(2) execute a power of attorney directing the appropriate official in the other state or the province to accept on the company's behalf service of notice or process in an action under the policy arising out of an accident.

(d) Suspension of a driver's license and vehicle registrations under this section continues until the resident furnishes evidence of compliance with the financial responsibility law of the other state or the province.

(e) In this section, "financial responsibility law" means a law authorizing suspension or revocation of an operating privilege for failure to:

(1) deposit security for the payment of a judgment;

(2) satisfy a judgment; or

(3) file evidence of financial responsibility.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER B. ADMINISTRATION BY DEPARTMENT

Sec. 601.021. DEPARTMENT POWERS AND DUTIES; RULES. The department shall:

(1) administer and enforce this chapter; and

(2) provide for hearings on the request of a person aggrieved by an act of the department under this chapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.023. PAYMENT OF STATUTORY FEES. The department may pay:

(1) a statutory fee required by the Texas Department of Motor Vehicles for a certified abstract or in connection with suspension of a vehicle registration; or

(2) a statutory fee payable to the comptroller for issuance of a certificate of deposit required by Section 601.122. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.05, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 2J.01, eff. September 1, 2009.

SUBCHAPTER C. FINANCIAL RESPONSIBILITY; REQUIREMENTS

Sec. 601.051. REQUIREMENT OF FINANCIAL RESPONSIBILITY. A person may not operate a motor vehicle in this state unless financial responsibility is established for that vehicle through:

- (1) a motor vehicle liability insurance policy that complies with Subchapter D;
- (2) a surety bond filed under Section 601.121;
- (3) a deposit under Section 601.122;
- (4) a deposit under Section 601.123; or
- (5) self-insurance under Section 601.124.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.052. EXCEPTIONS TO FINANCIAL RESPONSIBILITY REQUIREMENT. (a) Section 601.051 does not apply to:

- (1) the operation of a motor vehicle that:
 - (A) is a former military vehicle or is at least 25 years old;
 - (B) is used only for exhibitions, club activities, parades, and other functions of public interest and not for regular transportation; and
 - (C) for which the owner files with the department an affidavit, signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B);
- (2) a neighborhood electric vehicle that is operated only as authorized by Section 551.304;
 - (2-a) a golf cart that is operated only as authorized by Section 551.403;
 - (2-b) an off-highway vehicle that is operated only as

authorized by Subchapter C, Chapter 551A, or Section 551A.055 of this code or Chapter 29, Parks and Wildlife Code; or

(3) a volunteer fire department for the operation of a motor vehicle the title of which is held in the name of a volunteer fire department.

(b) Subsection (a)(3) does not exempt from the requirement of Section 601.051 a person who is operating a vehicle described by that subsection.

(c) In this section:

(1) "Former military vehicle" has the meaning assigned by Section 504.502(i).

(2) "Volunteer fire department" means a company, department, or association that is:

(A) organized in an unincorporated area to answer fire alarms and extinguish fires or to answer fire alarms, extinguish fires, and provide emergency medical services; and

(B) composed of members who:

(i) do not receive compensation; or

(ii) receive only nominal compensation.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.127(a), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 896, Sec. 3, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 11, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 24.016, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 96, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 39, eff. June 14, 2019.

Sec. 601.053. EVIDENCE OF FINANCIAL RESPONSIBILITY.

(a) As a condition of operating in this state a motor vehicle to which Section 601.051 applies, the operator of the vehicle on request shall provide to a peace officer, as defined by Article 2.12, Code of Criminal Procedure, or a person involved in an

accident with the operator evidence of financial responsibility by exhibiting:

(1) a motor vehicle liability insurance policy covering the vehicle that satisfies Subchapter D or a photocopy of the policy;

(2) a standard proof of motor vehicle liability insurance form prescribed by the Texas Department of Insurance under Section 601.081 and issued by a liability insurer for the motor vehicle;

(2-a) an image displayed on a wireless communication device that includes the information required by Section 601.081 as provided by a liability insurer;

(3) an insurance binder that confirms the operator is in compliance with this chapter;

(4) a surety bond certificate issued under Section 601.121;

(5) a certificate of a deposit with the comptroller covering the vehicle issued under Section 601.122;

(6) a copy of a certificate of a deposit with the appropriate county judge covering the vehicle issued under Section 601.123; or

(7) a certificate of self-insurance covering the vehicle issued under Section 601.124 or a photocopy of the certificate.

(b) Except as provided by Subsection (c), an operator who does not exhibit evidence of financial responsibility under Subsection (a) is presumed to have operated the vehicle in violation of Section 601.051.

(c) Subsection (b) does not apply if the peace officer determines through use of the verification program established under Subchapter N that financial responsibility has been established for the vehicle. A peace officer may not issue a citation for an offense under Section 601.191 unless the officer attempts to verify through the verification program that financial responsibility has been established for the vehicle and is unable to make that verification.

(d) The display of an image that includes financial

responsibility information on a wireless communication device under Subsection (a)(2-a) does not constitute effective consent for a law enforcement officer, or any other person, to access the contents of the wireless communication device except to view the financial responsibility information.

(e) The authorization of the use of a wireless communication device to display financial responsibility information under Subsection (a)(2-a) does not prevent:

(1) a court of competent jurisdiction from requiring a person to provide a paper copy of the person's evidence of financial responsibility in a hearing or trial or in connection with discovery proceedings; or

(2) the commissioner of insurance from requiring a person to provide a paper copy of the person's evidence of financial responsibility in connection with any inquiry or transaction conducted by or on behalf of the commissioner.

(f) A telecommunications provider, as defined by Section [51.002](#), Utilities Code, may not be held liable to the operator of the motor vehicle for the failure of a wireless communication device to display financial responsibility information under Subsection (a)(2-a).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.06, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1146 (H.B. [2730](#)), Sec. 15A.01, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 153 (S.B. [181](#)), Sec. 1, eff. May 24, 2013.

Acts 2017, 85th Leg., R.S., Ch. 399 (S.B. [1187](#)), Sec. 1, eff. June 1, 2017.

Sec. 601.054. OWNER MAY PROVIDE EVIDENCE OF FINANCIAL RESPONSIBILITY FOR OTHERS. (a) The department shall accept evidence of financial responsibility from an owner for another person required to establish evidence of financial responsibility if the other person is:

(1) an operator employed by the owner; or

(2) a member of the owner's immediate family or household.

(b) The evidence of financial responsibility applies to a person who becomes subject to Subsection (a)(1) or (2) after the effective date of that evidence.

(c) Evidence of financial responsibility accepted by the department under Subsection (a) is a substitute for evidence by the other person and permits the other person to operate a motor vehicle for which the owner has provided evidence of financial responsibility.

(d) The department shall designate the restrictions imposed by this section on the face of the other person's driver's license. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.055. SUBSTITUTION OF EVIDENCE OF FINANCIAL RESPONSIBILITY. (a) If a person who has filed evidence of financial responsibility substitutes other evidence of financial responsibility that complies with this chapter, and the department accepts the other evidence, the department shall:

(1) consent to the cancellation of a bond or certificate of insurance filed as evidence of financial responsibility; or

(2) direct the comptroller to return money or securities deposited with the comptroller as evidence of financial responsibility to the person entitled to the return of the money or securities.

(b) The comptroller shall return money or securities deposited with the comptroller in accordance with the direction of the department under Subsection (a)(2).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.07, eff. Sept. 1, 1997.

Sec. 601.056. CANCELLATION, RETURN, OR WAIVER OF EVIDENCE OF FINANCIAL RESPONSIBILITY. (a) As provided by this section, the department, on request, shall:

(1) consent to the cancellation of a bond or certificate of insurance filed as evidence of financial

responsibility;

(2) direct the comptroller to return money or securities deposited with the comptroller as evidence of financial responsibility to the person entitled to the return of the money or securities; or

(3) waive the requirement of filing evidence of financial responsibility.

(b) Evidence of financial responsibility may be canceled, returned, or waived under Subsection (a) if:

(1) the department, during the two years preceding the request, has not received a record of a conviction or a forfeiture of bail that would require or permit the suspension or revocation of the driver's license, vehicle registration, or nonresident's operating privilege of the person by or for whom the evidence was provided;

(2) the person for whom the evidence of financial responsibility was provided dies or has a permanent incapacity to operate a motor vehicle; or

(3) the person for whom the evidence of financial responsibility was provided surrenders the person's license and vehicle registration to the department.

(c) A cancellation, return, or waiver under Subsection (b)(1) may be made only after the second anniversary of the date the evidence of financial responsibility was required.

(d) The comptroller shall return the money or securities as directed by the department under Subsection (a)(2).

(e) The department may not act under Subsection (a)(1) or (2) if:

(1) an action for damages on a liability covered by the evidence of financial responsibility is pending;

(2) a judgment for damages on a liability covered by the evidence of financial responsibility is not satisfied; or

(3) the person for whom the bond has been filed or for whom money or securities have been deposited has, within the two years preceding the request for cancellation or return of the evidence of financial responsibility, been involved as an operator or owner in a motor vehicle accident resulting in bodily injury to,

or property damage to the property of, another person.

(f) In the absence of evidence to the contrary in the records of the department, the department shall accept as sufficient an affidavit of the person requesting action under Subsection (a) stating that:

(1) the facts described by Subsection (e) do not exist; or

(2) the person has been released from the liability or has been finally adjudicated as not liable for bodily injury or property damage described by Subsection (e)(3).

(g) A person whose evidence of financial responsibility has been canceled or returned under Subsection (b)(3) may not be issued a new driver's license or vehicle registration unless the person establishes financial responsibility for the remainder of the two-year period beginning on the date the evidence of financial responsibility was required.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.08, eff. Sept. 1, 1997.

Sec. 601.057. EVIDENCE THAT DOES NOT FULFILL REQUIREMENTS; SUSPENSION. If evidence filed with the department does not continue to fulfill the purpose for which it was required, the department shall suspend the driver's license and all vehicle registrations or nonresident's operating privilege of the person who filed the evidence pending the filing of other evidence of financial responsibility.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER D. ESTABLISHMENT OF FINANCIAL RESPONSIBILITY THROUGH MOTOR VEHICLE LIABILITY INSURANCE

Sec. 601.071. MOTOR VEHICLE LIABILITY INSURANCE; REQUIREMENTS. For purposes of this chapter, a motor vehicle liability insurance policy must be an owner's or operator's policy that:

(1) except as provided by Section 601.083, is issued by an insurance company authorized to write motor vehicle liability

insurance in this state;

(2) is written to or for the benefit of the person named in the policy as the insured; and

(3) meets the requirements of this subchapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.072. MINIMUM COVERAGE AMOUNTS; EXCLUSIONS.

(a) Expired.

(a-1) Effective January 1, 2011, the minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility under this chapter are:

(1) \$30,000 for bodily injury to or death of one person in one accident;

(2) \$60,000 for bodily injury to or death of two or more persons in one accident, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and

(3) \$25,000 for damage to or destruction of property of others in one accident.

(b) The coverage required under this section may exclude, with respect to one accident:

(1) the first \$250 of liability for bodily injury to or death of one person;

(2) the first \$500 of liability for bodily injury to or death of two or more persons, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and

(3) the first \$250 of liability for property damage to or destruction of property of others.

(c) The Texas Department of Insurance shall establish an outreach program to inform persons of the requirements of this chapter and the ability to comply with the financial responsibility requirements of this chapter through motor vehicle liability insurance coverage. The commissioner, by rule, shall establish the requirements for the program. The program must be designed to encourage compliance with the financial responsibility requirements, and must be made available in English and Spanish.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1298 (S.B. 502), Sec. 1, eff. September 1, 2007.

Sec. 601.073. REQUIRED POLICY TERMS. (a) A motor vehicle liability insurance policy must state:

- (1) the name and address of the named insured;
- (2) the coverage provided under the policy;
- (3) the premium charged for the policy;
- (4) the policy period; and
- (5) the limits of liability.

(b) The policy must contain an agreement or endorsement that the insurance coverage provided under the policy is:

- (1) provided in accordance with the coverage required by this chapter for bodily injury, death, and property damage; and
- (2) subject to this chapter.

(c) The liability of the insurance company for the insurance required by this chapter becomes absolute at the time bodily injury, death, or damage covered by the policy occurs. The policy may not be canceled as to this liability by an agreement between the insurance company and the insured that is entered into after the occurrence of the injury or damage. A statement made by or on behalf of the insured or a violation of the policy does not void the policy.

(d) The policy may not require the insured to satisfy a judgment for bodily injury, death, or property damage as a condition precedent under the policy to the right or duty of the insurance company to make payment for the injury, death, or damage.

(e) The insurance company may settle a claim covered by the policy. If the settlement is made in good faith, the amount of the settlement is deductible from the amounts specified in Section 601.072.

(f) The policy, any written application for the policy, and any rider or endorsement that does not conflict with this chapter constitute the entire contract between the parties.

(g) Subsections (c)-(f) apply to the policy without regard

to whether those provisions are stated in the policy.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.074. OPTIONAL TERMS. (a) A motor vehicle liability insurance policy may provide that the insured shall reimburse the insurance company for a payment that, in the absence of this chapter, the insurance company would not have been obligated to make under the terms of the policy.

(b) A policy may allow prorating of the insurance provided under the policy with other collectible insurance.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.075. PROHIBITED TERMS. A motor vehicle liability insurance policy may not insure against liability:

(1) for which the insured or the insured's insurer may be held liable under a workers' compensation law;

(2) for bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or in domestic employment if benefits for the injury are payable or required to be provided under a workers' compensation law; or

(3) for injury to or destruction of property owned by, rented to, in the care of, or transported by the insured.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.076. REQUIRED TERMS: OWNER'S POLICY. An owner's motor vehicle liability insurance policy must:

(1) cover each motor vehicle for which coverage is to be granted under the policy; and

(2) pay, on behalf of the named insured or another person who, as insured, uses a covered motor vehicle with the express or implied permission of the named insured, amounts the insured becomes obligated to pay as damages arising out of the ownership, maintenance, or use of the motor vehicle in the United States or Canada, subject to the amounts, excluding interest and costs, and exclusions of Section [601.072](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.077. REQUIRED TERMS: OPERATOR'S POLICY. An operator's motor vehicle liability insurance policy must pay, on behalf of the named insured, amounts the insured becomes obligated to pay as damages arising out of the use by the insured of a motor vehicle the insured does not own, subject to the same territorial limits, payment limits, and exclusions as for an owner's policy under Section [601.076](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.078. ADDITIONAL COVERAGE. (a) An insurance policy that provides the coverage required for a motor vehicle liability insurance policy may also provide lawful coverage in excess of or in addition to the required coverage.

(b) The excess or additional coverage is not subject to this chapter.

(c) In the case of a policy that provides excess or additional coverage, the term "motor vehicle liability insurance policy" applies only to that part of the coverage that is required under this subchapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.079. MULTIPLE POLICIES. The requirements for a motor vehicle liability insurance policy may be satisfied by a combination of policies of one or more insurance companies if the policies in combination meet the requirements.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.080. INSURANCE BINDER. A binder issued pending the issuance of a motor vehicle liability insurance policy satisfies the requirements for such a policy.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.081. STANDARD PROOF OF MOTOR VEHICLE LIABILITY INSURANCE FORM.

(a) Repealed by Acts 2019, 86th Leg., R.S., Ch. 455 (H.B. [259](#)), Sec. 4, eff. September 1, 2019.

(b) A standard proof of motor vehicle liability insurance form prescribed by the Texas Department of Insurance must include:

- (1) the name of the insurer;
- (2) the insurance policy number;
- (3) the policy period;
- (4) the name and address of each insured;
- (5) the policy limits or a statement that the coverage of the policy complies with the minimum amounts of motor vehicle liability insurance required by this chapter; and
- (6) the make and model of each covered vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 803 (S.B. 1567), Sec. 2, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 455 (H.B. 259), Sec. 3, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 455 (H.B. 259), Sec. 4, eff. September 1, 2019.

Sec. 601.082. MOTOR VEHICLE LIABILITY INSURANCE; CERTIFICATION. If evidence of financial responsibility is required to be filed with the department under this chapter, a motor vehicle liability insurance policy that is to be used as evidence must be certified under Section 601.083 or 601.084.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.083. CERTIFICATE OF MOTOR VEHICLE LIABILITY INSURANCE. (a) A person may provide evidence of financial responsibility by filing with the department the certificate of an insurance company authorized to write motor vehicle liability insurance in this state certifying that a motor vehicle liability insurance policy for the benefit of the person required to provide evidence of financial responsibility is in effect.

(b) The certificate must state the effective date of the policy, which must be the same date as the effective date of the certificate.

(c) The certificate must cover each motor vehicle owned by

the person required to provide the evidence of financial responsibility, unless the policy is issued to a person who does not own a motor vehicle.

(d) A motor vehicle may not be registered in the name of a person required to provide evidence of financial responsibility unless the vehicle is covered by a certificate.

(e) If a person files a certificate of insurance to establish financial responsibility under Section 601.153, the certificate must state that the requirements of Section 601.153(b) are satisfied.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 178, Sec. 1, eff. Sept. 1, 1997.

Sec. 601.084. NONRESIDENT CERTIFICATE. (a) Subject to Subsection (c), a nonresident owner of a motor vehicle that is not registered in this state may provide evidence of financial responsibility by filing with the department the certificate of an insurance company authorized to transact business in the state in which the vehicle is registered certifying that a motor vehicle liability insurance policy for the benefit of the person required to provide evidence of financial responsibility is in effect.

(b) Subject to Subsection (c), a nonresident who does not own a motor vehicle may provide evidence of financial responsibility by filing with the department the certificate of an insurance company authorized to transact business in the state in which the nonresident resides.

(c) The department shall accept the certificate of an insurer not authorized to transact business in this state if the certificate otherwise complies with this chapter and the insurance company:

(1) executes a power of attorney authorizing the department to accept on its behalf service of notice or process in an action arising out of a motor vehicle accident in this state; and

(2) agrees in writing that its policies will be treated as conforming to the laws of this state relating to the terms of a motor vehicle liability insurance policy.

(d) The department may not accept a certificate of an insurance company not authorized to transact business in this state during the period that the company is in default in any undertaking or agreement under this section.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.085. TERMINATION OF CERTIFIED POLICY. (a) If an insurer has certified a policy under Section 601.083 or 601.084, the policy may not be terminated before the sixth day after the date a notice of the termination is received by the department except as provided by Subsection (b).

(b) A policy that is obtained and certified terminates a previously certified policy on the effective date of the certification of a subsequent policy.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.086. RESPONSE OF INSURANCE COMPANY IF POLICY NOT IN EFFECT. An insurance company that is notified by the department of an accident in connection with which an owner or operator has reported a motor vehicle liability insurance policy with the company shall advise the department if a policy is not in effect as reported.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.088. EFFECT ON CERTAIN OTHER POLICIES. (a) This chapter does not apply to or affect a policy of motor vehicle liability insurance required by another law of this state. If that policy contains an agreement or is endorsed to conform to the requirements of this chapter, the policy may be certified as evidence of financial responsibility under this chapter.

(b) This chapter does not apply to or affect a policy that insures only the named insured against liability resulting from the maintenance or use of a motor vehicle that is not owned by the insured by persons who are:

- (1) employed by the insured; or
- (2) acting on the insured's behalf.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER E. ALTERNATIVE METHODS OF ESTABLISHING FINANCIAL
RESPONSIBILITY

Sec. 601.121. SURETY BOND. (a) A person may establish financial responsibility by filing with the department a bond:

(1) with at least two individual sureties, each of whom owns real property in this state that is not exempt from execution under the constitution or laws of this state;

(2) conditioned for payment in the amounts and under the same circumstances as required under a motor vehicle liability insurance policy;

(3) that is not cancelable before the sixth day after the date the department receives written notice of the cancellation;

(4) accompanied by the fee required by Subsection (e);
and

(5) approved by the department.

(b) The real property required by Subsection (a)(1) must be described in the bond approved by a judge of a court of record. The assessor-collector of the county in which the property is located must certify the property as free of any tax lien. The sureties in combination must have equity in the property in an amount equal to at least twice the amount of the bond.

(c) The bond is a lien in favor of the state on the real property described in the bond. The lien exists in favor of a person who holds a final judgment against the person who filed the bond.

(d) On filing of a bond, the department shall issue to the person who filed the bond a certificate of compliance with this section.

(e) The department shall file notice of the bond in the office of the county clerk of the county in which the real property is located. The notice must include a description of the property described in the bond. The county clerk or the county clerk's deputy, on receipt of the notice, shall acknowledge the notice and record it in the lien records. The recording of the notice is

notice in accordance with statutes governing the recordation of a lien on real property.

(f) If a judgment rendered against the person who files a bond under this section is not satisfied before the 61st day after the date the judgment becomes final, the judgment creditor, for the judgment creditor's own use and benefit and at the judgment creditor's expense, may bring an action in the name of the state against the sureties on the bond, including an action to foreclose a lien on the real property of a surety. The foreclosure action must be brought in the same manner as, and is subject to the law applicable to, an action to foreclose a mortgage on real property.

(g) Cancellation of a bond filed under this section does not prevent recovery for a right or cause of action arising before the date of the cancellation.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.122. DEPOSIT OF CASH OR SECURITIES WITH COMPTROLLER. (a) A person may establish financial responsibility by depositing \$55,000 with the comptroller in:

(1) cash; or

(2) securities that:

(A) are of the type that may legally be purchased by savings banks or trust funds; and

(B) have a market value equal to the required amount.

(b) On receipt of the deposit, the comptroller shall issue to the person making the deposit a certificate stating that a deposit complying with this section has been made.

(c) The comptroller may not accept the deposit and the department may not accept the certificate unless the deposit or certificate is accompanied by evidence that an unsatisfied judgment of any character against the person making the deposit does not exist in the county in which the person making the deposit resides.

(d) The comptroller shall hold a deposit made under this section to satisfy, in accordance with this chapter, an execution on a judgment issued against the person making the deposit for damages that:

(1) result from the ownership, maintenance, use, or operation of a motor vehicle after the date the deposit was made; and

(2) are for:

(A) bodily injury to or death of any person, including damages for care and loss of services; or

(B) damage to or destruction of property, including the loss of use of the property.

(e) Money or securities deposited under this section are not subject to attachment or execution unless the attachment or execution arises out of a suit for damages described by Subsection (d).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.09, eff. Sept. 1, 1997.

Sec. 601.123. DEPOSIT OF CASH OR CASHIER'S CHECK WITH COUNTY JUDGE. (a) A person may establish financial responsibility by making a deposit with the county judge of the county in which the motor vehicle is registered.

(b) The deposit must be made in cash or a cashier's check in the amount of at least \$55,000.

(c) On receipt of the deposit, the county judge shall issue to the person making the deposit a certificate stating that a deposit complying with this section has been made. The certificate must be acknowledged by the sheriff of that county and filed with the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.124. SELF-INSURANCE. (a) A person in whose name more than 25 motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided by this section.

(b) The department may issue a certificate of self-insurance to a person if:

(1) the person applies for the certificate; and

(2) the department is satisfied that the person has and will continue to have the ability to pay judgments obtained

against the person.

(c) The self-insurer must supplement the certificate with an agreement that, for accidents occurring while the certificate is in force, the self-insurer will pay the same judgments in the same amounts as an insurer would be obligated to pay under an owner's motor vehicle liability insurance policy issued to the self-insurer if such policy were issued.

(d) The department for cause may cancel a certificate of self-insurance after a hearing. Cause includes failure to pay a judgment before the 31st day after the date the judgment becomes final.

(e) A self-insurer must receive at least five days' notice of a hearing held under Subsection (d). The department shall send notice of the hearing to the self-insurer by:

(1) first class mail; or

(2) e-mail if the self-insurer has provided an e-mail address to the department and has elected to receive notice electronically.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 5, eff. September 1, 2017.

SUBCHAPTER F. SECURITY FOLLOWING ACCIDENT

Sec. 601.151. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to a motor vehicle accident in this state that results in bodily injury or death or in damage to the property of one person of at least \$1,000.

(b) This subchapter does not apply to:

(1) an owner or operator who has in effect at the time of the accident a motor vehicle liability insurance policy that covers the motor vehicle involved in the accident;

(2) an operator who is not the owner of the motor vehicle, if a motor vehicle liability insurance policy or bond for the operation of a motor vehicle the person does not own is in effect at the time of the accident;

(3) an owner or operator whose liability for damages resulting from the accident, in the judgment of the department, is covered by another liability insurance policy or bond;

(4) an owner or operator, if there was not bodily injury to or damage of the property of a person other than the owner or operator;

(5) the owner or operator of a motor vehicle that at the time of the accident was legally parked or legally stopped at a traffic signal;

(6) the owner of a motor vehicle that at the time of the accident was being operated without the owner's express or implied permission or was parked by a person who had been operating the vehicle without that permission; or

(7) a person qualifying as a self-insurer under Section 601.124 or a person operating a motor vehicle for a self-insurer.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.152. SUSPENSION OF DRIVER'S LICENSE AND VEHICLE REGISTRATION OR PRIVILEGE. (a) Subject to Section 601.153, the department shall suspend the driver's license and vehicle registrations of the owner and operator of a motor vehicle if:

(1) the vehicle is involved in any manner in an accident; and

(2) the department finds that there is a reasonable probability that a judgment will be rendered against the person as a result of the accident.

(b) If the owner or operator is a nonresident, the department shall suspend the person's nonresident operating privilege and the privilege of use of any motor vehicle owned by the nonresident.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.153. DEPOSIT OF SECURITY; EVIDENCE OF FINANCIAL RESPONSIBILITY. (a) The department may not suspend a driver's license, vehicle registration, or nonresident's privilege under this subchapter if the owner or operator:

(1) deposits with the department security in an amount determined to be sufficient under Section 601.154 or 601.157 as appropriate; and

(2) files evidence of financial responsibility as required by this chapter.

(b) If the owner or operator chooses to establish financial responsibility under Subsection (a)(2) by filing evidence of motor vehicle liability insurance, the owner or operator must file a certificate of insurance for a policy that has a policy period of at least six months and for which the premium for the entire policy period is paid in full.

(c) Notwithstanding Section 601.085, coverage for a motor vehicle under a motor vehicle liability policy for which a person files with the department a certificate of insurance under Subsection (b) may not be canceled unless:

(1) the person no longer owns the motor vehicle;

(2) the person dies;

(3) the person has a permanent incapacity that renders the person unable to drive the motor vehicle; or

(4) the person surrenders to the department the person's driver's license and the vehicle registration for the motor vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 178, Sec. 2, eff. Sept. 1, 1997.

Sec. 601.154. DEPARTMENT DETERMINATION OF PROBABILITY OF LIABILITY. (a) Subject to Subsection (d), if the department finds that there is a reasonable probability that a judgment will be rendered against an owner or operator as a result of an accident, the department shall determine the amount of security sufficient to satisfy any judgment for damages resulting from the accident that may be recovered from the owner or operator.

(b) The department may not require security in an amount:

(1) less than \$1,000; or

(2) more than the limits prescribed by Section 601.072.

(c) In determining whether there is a reasonable

probability that a judgment will be rendered against the person as a result of an accident and the amount of security that is sufficient under Subsection (a), the department may consider:

- (1) a report of an investigating officer; and
- (2) an affidavit of a person who has knowledge of the facts.

(d) The department shall make the determination required by Subsection (a) only if the department has not received, before the 21st day after the date the department receives a report of a motor vehicle accident, satisfactory evidence that the owner or operator has:

- (1) been released from liability;
- (2) been finally adjudicated not to be liable; or
- (3) executed an acknowledged written agreement providing for the payment of an agreed amount in installments for all claims for injuries or damages resulting from the accident.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 533 (S.B. [312](#)), Sec. 52, eff. September 1, 2017.

Sec. 601.155. NOTICE OF DETERMINATION. (a) The department shall notify the affected person of a determination made under Section [601.154](#) by:

- (1) personal service;
- (2) first class mail; or
- (3) e-mail if the person has provided an e-mail address to the department and has elected to receive notice electronically.

(b) The notice must state that:

(1) the person's driver's license and vehicle registration or the person's nonresident's operating privilege will be suspended unless the person, not later than the 20th day after the date the notice was personally served or sent, establishes that:

(A) this subchapter does not apply to the person, and the person has previously provided this information to the

department; or

(B) there is no reasonable probability that a judgment will be rendered against the person as a result of the accident; and

(2) the person is entitled to a hearing under this subchapter if a written request for a hearing is delivered or mailed to the department not later than the 20th day after the date the notice was personally served or sent.

(c) Notice under this section that is mailed by first class mail must be mailed to the person's last known address, as shown by the department's records.

(d) For purposes of this section, notice is presumed to be received if the notice was sent to the person's last known address or e-mail address, as shown by the department's records.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1395, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 6, eff. September 1, 2017.

Sec. 601.156. SETTING OF HEARING. (a) A hearing under this subchapter is subject to the notice and hearing procedures of Sections 521.295-521.303 and shall be heard by a judge of a municipal court or a justice of the peace of the county in which the person requesting the hearing resides. A party is not entitled to a jury.

(b) The court shall set a date for the hearing. The hearing must be held at the earliest practical time after notice is given to the person requesting the hearing.

(c) The department shall summon the person requesting the hearing to appear at the hearing. Notice under this subsection:

(1) shall be:

(A) delivered through personal service;

(B) mailed by first class mail to the person's last known address, as shown by the department's records; or

(C) sent by e-mail if the person has provided an e-mail address to the department and has elected to receive notice

electronically; and

(2) must include written charges issued by the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1117, Sec. 4, eff. Sept. 1, 2000; Acts 1999, 76th Leg., ch. 1409, Sec. 6, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 7, eff. September 1, 2017.

Sec. 601.157. HEARING PROCEDURES. (a) The judge may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers.

(b) The judge at the hearing shall determine:

(1) whether there is a reasonable probability that a judgment will be rendered against the person requesting the hearing as a result of the accident; and

(2) if there is a reasonable probability that a judgment will be rendered, the amount of security sufficient to satisfy any judgment for damages resulting from the accident.

(c) The amount of security under Subsection (b)(2) may not be less than the amount specified as a minimum by Section [601.154](#).

(d) The judge shall report the judge's determination to the department.

(e) The judge may receive a fee to be paid from the general revenue fund of the county for holding a hearing under this subchapter. The fee must be approved by the commissioners court of the county and may not be more than \$5 for each hearing.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.158. APPEAL. (a) If, after a hearing under this subchapter, the judge determines that there is a reasonable probability that a judgment will be rendered against the person requesting the hearing as a result of the accident, the person may appeal the determination.

(b) To appeal a determination under Subsection (a), the person must file a petition not later than the 30th day after the

date of the determination in the county court at law of the county in which the person resides, or, if there is no county court at law, in the county court of the county.

(c) A person who files an appeal under this section shall send a file-stamped copy of the petition by certified mail to the department at the department's headquarters in Austin. The copy must be certified by the clerk of the court in which the petition is filed.

(d) The filing of a petition of appeal as provided by this section stays an order of suspension until the earlier of the 91st day after the date the appeal petition is filed or the date the trial is completed and final judgment is rendered.

(e) On expiration of the stay, the department shall impose the suspension. The stay may not be extended, and an additional stay may not be granted.

(f) A trial on appeal is de novo.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1117, Sec. 5, eff. Sept. 1, 2000.

Sec. 601.159. PROCEDURES FOR SUSPENSION OF DRIVER'S LICENSE AND VEHICLE REGISTRATION OR PRIVILEGE. The department shall suspend the driver's license and each vehicle registration of an owner or operator or the nonresident's operating privilege of an owner or operator unless:

(1) if a hearing is not requested, the person, not later than the 20th day after the date the notice under Section 601.155 was personally served or sent:

(A) delivers or mails to the department a written request for a hearing;

(B) shows that this subchapter does not apply to the person; or

(C) complies with Section 601.153; or

(2) the person complies with Section 601.153 not later than the 20th day after:

(A) the date of the expiration of the period in which an appeal may be brought, if the determination at a hearing is rendered against the owner or operator and the owner or operator

does not appeal; or

(B) the date of a decision against the person following the appeal.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 8, eff. September 1, 2017.

Sec. 601.160. SUSPENSION STAYED PENDING HEARING OR APPEAL. The department may not suspend a driver's license, vehicle registration, or nonresident's operating privilege pending the outcome of a hearing and any appeal under this subchapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.161. NOTICE OF SUSPENSION. Not later than the 11th day before the effective date of a suspension under Section [601.159](#), the department shall send notice of the suspension to each affected owner or operator. The department shall send the notice by first class mail or by e-mail to any owner or operator who has provided an e-mail address to the department and who has elected to receive notice electronically. The notice must state the amount required as security under Section [601.153](#) and the necessity for the owner or operator to file evidence of financial responsibility with the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 9, eff. September 1, 2017.

Sec. 601.162. DURATION OF SUSPENSION. (a) The suspension of a driver's license, vehicle registration, or nonresident's operating privilege under this subchapter remains in effect, the license, registration, or privilege may not be renewed, and a license or vehicle registration may not be issued to the holder of the suspended license, registration, or privilege, until:

(1) the date the person, or a person acting on the person's behalf, deposits security and files evidence of financial

responsibility under Section 601.153;

(2) the second anniversary of the date of the accident, if evidence satisfactory to the department is filed with the department that, during the two-year period, an action for damages arising out of the accident has not been instituted; or

(3) the date evidence satisfactory to the department is filed with the department of:

(A) a release from liability for claims arising out of the accident;

(B) a final adjudication that the person is not liable for claims arising out of the accident; or

(C) an installment agreement described by Section 601.154(d)(3).

(b) If a suspension is terminated under Subsection (a)(3)(C), on notice of a default in the payment of an installment under the agreement, the department shall promptly suspend the driver's license and vehicle registration or nonresident's operating privilege of the person defaulting. A suspension under this subsection continues until:

(1) the person deposits and maintains security in accordance with Section 601.153 in an amount determined by the department at the time of suspension under this subsection and files evidence of financial responsibility in accordance with Section 601.153; or

(2) the second anniversary of the date security was required under Subdivision (1) if, during that period, an action on the agreement has not been instituted in a court in this state.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 20.005, eff. September 1, 2005.

Sec. 601.163. FORM OF SECURITY. (a) The security required under this subchapter shall be made:

(1) by cash deposit;

(2) through a bond that complies with Section 601.168;

or

(3) in another form as required by the department.

(b) A person depositing security shall specify in writing the person on whose behalf the deposit is made. A single deposit of security is applicable only on behalf of persons required to provide security because of the same accident and the same motor vehicle.

(c) The person depositing the security may amend in writing the specification of the person on whose behalf the deposit is made to include an additional person. This amendment may be made at any time the deposit is in the custody of the department or the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.10, eff. Sept. 1, 1997.

Sec. 601.164. REDUCTION IN SECURITY. (a) The department may reduce the amount of security ordered in a case within six months after the date of the accident if, in the department's judgment, the amount is excessive.

(b) The amount of security originally deposited that exceeds the reduced amount shall be returned promptly to the depositor or the depositor's personal representative.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.165. CUSTODY OF CASH SECURITY. The department shall place cash deposited in compliance with this subchapter in the custody of the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 18.11, eff. Sept. 1, 1997.

Sec. 601.166. PAYMENT OF CASH SECURITY. (a) Cash security may be applied only to the payment of:

(1) a judgment rendered against the person on whose behalf the deposit is made for damages arising out of the accident;
or

(2) a settlement, agreed to by the depositor, of a claim arising out of the accident.

(b) For payment under Subsection (a), the action under which

the judgment was rendered must have been instituted before the second anniversary of the later of:

(1) the date of the accident; or

(2) the date of the deposit, in the case of a deposit of security under Section 601.162(b).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.167. RETURN OF CASH SECURITY. Cash security or any balance of the security shall be returned to the depositor or the depositor's personal representative when:

(1) evidence satisfactory to the department is filed with the department that there has been:

(A) a release of liability;

(B) a final adjudication that the person on whose behalf the deposit is made is not liable; or

(C) an agreement as described by Section 601.154(d)(3);

(2) reasonable evidence is provided to the department after the second anniversary of the date of the accident that no action arising out of the accident is pending and no judgment rendered in such an action is unpaid; or

(3) in the case of a deposit of security under Section 601.162(b), reasonable evidence is provided to the department after the second anniversary of the date of the deposit that no action arising out of the accident is pending and no unpaid judgment rendered in such an action is unpaid.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.168. INSURANCE POLICY OR BOND; LIMITS. (a) A bond or motor vehicle liability insurance policy under this subchapter must:

(1) be issued by a surety company or insurance company:

(A) authorized to write motor vehicle liability insurance in this state; or

(B) that complies with Subsection (b); and

(2) cover the amounts, excluding interest and costs,

required to establish financial responsibility under Section 601.072.

(b) A bond or motor vehicle liability insurance policy issued by a surety company or insurance company that is not authorized to do business in this state is effective under this subchapter only if:

(1) the bond or policy is issued for a motor vehicle that:

(A) is not registered in this state; or

(B) was not registered in this state on the effective date of the most recent renewal of the policy; and

(2) the surety company or insurance company executes a power of attorney authorizing the department to accept on the company's behalf service of notice or process in an action arising out of the accident on the bond or policy.

(c) The bond must be filed with and approved by the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.169. REASONABLE PROBABILITY NOT ADMISSIBLE IN CIVIL SUIT. A determination under Section 601.154 or 601.157 that there is a reasonable probability that a judgment will be rendered against a person as a result of an accident may not be introduced in evidence in a suit for damages arising from that accident.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.170. DEPARTMENT ACTING ON ERRONEOUS INFORMATION. If the department is given erroneous information relating to a matter covered by Section 601.151(b)(1) or (b)(2) or to a person's status as an employee of the United States acting within the scope of the person's employment, the department shall take appropriate action as provided by this subchapter not later than the 60th day after the date the department receives correct information.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER G. FAILURE TO MAINTAIN MOTOR VEHICLE LIABILITY INSURANCE OR OTHERWISE ESTABLISH FINANCIAL RESPONSIBILITY; CRIMINAL

PENALTIES

Sec. 601.191. OPERATION OF MOTOR VEHICLE IN VIOLATION OF MOTOR VEHICLE LIABILITY INSURANCE REQUIREMENT; OFFENSE. (a) A person commits an offense if the person operates a motor vehicle in violation of Section [601.051](#).

(b) Except as provided by Subsections (c) and (d), an offense under this section is a misdemeanor punishable by a fine of not less than \$175 or more than \$350.

(c) If a person has been previously convicted of an offense under this section, an offense under this section is a misdemeanor punishable by a fine of not less than \$350 or more than \$1,000.

(d) If the court determines that a person who has not been previously convicted of an offense under this section is economically unable to pay the fine, the court may reduce the fine to less than \$175.

(e) A citation issued for an offense under this section must include an affirmative indication that the peace officer was unable at the time of the alleged offense to verify financial responsibility for the vehicle through the verification program established under Subchapter N.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 399 (S.B. [1187](#)), Sec. 2, eff. June 1, 2017.

Sec. 601.193. DEFENSE: FINANCIAL RESPONSIBILITY IN EFFECT AT TIME OF ALLEGED OFFENSE. (a) It is a defense to prosecution under Section [601.191](#) or [601.195](#) that the person charged produces to the court one of the documents listed in Section [601.053](#)(a) that was valid at the time that the offense is alleged to have occurred.

(b) After the court verifies a document produced under Subsection (a), the court shall dismiss the charge.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 844, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 961, Sec. 1, eff. Sept. 1, 1999.

Sec. 601.194. DEFENSE: POSSESSION OF MOTOR VEHICLE FOR MAINTENANCE OR REPAIR. It is a defense to prosecution of an offense under Section 601.191 that the motor vehicle operated by the person charged:

(1) was in the possession of that person for the sole purpose of maintenance or repair; and

(2) was not owned in whole or in part by that person.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.195. OPERATION OF MOTOR VEHICLE IN VIOLATION OF REQUIREMENT TO ESTABLISH FINANCIAL RESPONSIBILITY; OFFENSE. (a) A person commits an offense if the person:

(1) is required to establish financial responsibility under Subchapter F or K;

(2) does not maintain evidence of financial responsibility; and

(3) during the period evidence of financial responsibility must be maintained:

(A) operates on a highway a motor vehicle owned by the person; or

(B) knowingly permits another person, who is not otherwise permitted to operate a vehicle under this chapter, to operate on a highway a motor vehicle owned by the person.

(b) An offense under this section is a misdemeanor punishable by:

(1) a fine not to exceed \$500;

(2) confinement in county jail for a term not to exceed six months; or

(3) both the fine and the confinement.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER H. FAILURE TO MAINTAIN EVIDENCE OF FINANCIAL RESPONSIBILITY; SUSPENSION OF DRIVER'S LICENSE AND MOTOR VEHICLE REGISTRATION

Sec. 601.231. SUSPENSION OF DRIVER'S LICENSE AND VEHICLE REGISTRATION. (a) If a person is convicted of an offense under

Section [601.191](#) and a prior conviction of that person under that section has been reported to the department by a magistrate or the judge or clerk of a court, the department shall suspend the driver's license and vehicle registrations of the person unless the person files and maintains evidence of financial responsibility with the department until the second anniversary of the date of the subsequent conviction.

(b) The department may waive the requirement of maintaining evidence of financial responsibility under Subsection (a) if satisfactory evidence is filed with the department showing that at the time of arrest the person was in compliance with the financial responsibility requirement of Section [601.051](#) or was exempt from that section under Section [601.007](#) or [601.052\(a\)\(3\)](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.232. NOTICE OF SUSPENSION. (a) The department shall send in a timely manner a notice to each person whose driver's license and vehicle registrations are suspended under Section [601.231](#).

(b) The notice must state that the person's driver's license and registration are suspended and that the person may apply for reinstatement of the license and vehicle registration or issuance of a new license and registration as provided by Sections [601.162](#) and [601.376](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. [3376](#)), Sec. 10, eff. September 1, 2017.

Sec. 601.233. NOTICE OF POTENTIAL SUSPENSION. (a) A citation for an offense under Section [601.191](#) issued as a result of Section [601.053](#) must include, in type larger than other type on the citation, the following statement:

"A second or subsequent conviction of an offense under the Texas Motor Vehicle Safety Responsibility Act will result in the suspension of your driver's license and motor vehicle registration unless you file and maintain evidence of financial responsibility

with the Department of Public Safety for two years from the date of conviction. The department may waive the requirement to file evidence of financial responsibility if you file satisfactory evidence with the department showing that at the time this citation was issued, the vehicle was covered by a motor vehicle liability insurance policy or that you were otherwise exempt from the requirements to provide evidence of financial responsibility."

(b) A judge presiding at a trial at which a person is convicted of an offense under Section 601.191 shall notify the person that the person's driver's license is subject to suspension if the person fails to provide to the department evidence of financial responsibility as required by Section 601.231.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1123 (H.B. 2470), Sec. 3, eff. September 1, 2005.

Acts 2019, 86th Leg., R.S., Ch. 1094 (H.B. 2048), Sec. 13, eff. September 1, 2019.

Sec. 601.234. ISSUANCE OR CONTINUATION OF VEHICLE REGISTRATION. A motor vehicle may not be registered in the name of a person required to file evidence of financial responsibility unless evidence of financial responsibility is furnished for the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER I. FAILURE TO MAINTAIN EVIDENCE OF FINANCIAL RESPONSIBILITY; IMPOUNDMENT OF MOTOR VEHICLE

Sec. 601.261. IMPOUNDMENT OF MOTOR VEHICLE. On a second or subsequent conviction for an offense under Section 601.191, the court shall order the sheriff of the county in which the court has jurisdiction to impound the motor vehicle operated by the defendant at the time of the offense if the defendant:

(1) was an owner of the motor vehicle at the time of the offense; and

(2) is an owner on the date of that conviction.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.262. DURATION OF IMPOUNDMENT. (a) The duration of an impoundment under Section 601.261 is 180 days.

(b) The court may not order the release of the vehicle unless the defendant applies to the court for the vehicle's release and provides evidence of financial responsibility that complies with Section 601.053 and this section.

(c) The evidence of financial responsibility must cover the two-year period immediately following the date the defendant applies for release of the impounded vehicle. The court, by order, shall permit a defendant to provide evidence of insurability in increments of a period of not less than six months.

(d) If an insurance binder is offered as evidence of financial responsibility under this section, the binder must confirm to the court's satisfaction that the defendant is in compliance with this chapter for the period required by Subsection (c).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 313 (H.B. 586), Sec. 1, eff. September 1, 2009.

Sec. 601.263. REIMBURSEMENT FEE FOR IMPOUNDMENT. The court shall impose against the defendant a reimbursement fee of \$15 a day for each day of impoundment of the defendant's vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1352 (S.B. 346), Sec. 2.74, eff. January 1, 2020.

Sec. 601.264. PENALTIES CUMULATIVE. Impoundment of a motor vehicle under this subchapter is in addition to any other punishment imposed under this chapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.265. TRANSFER OF TITLE OF IMPOUNDED MOTOR VEHICLE.

(a) To transfer title to a motor vehicle impounded under Section 601.261, the owner must apply to the court for permission.

(b) If the court finds that the transfer is being made in good faith and is not being made to circumvent this chapter, the court shall approve the transfer.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.266. RELEASE ON INVOLUNTARY TRANSFER OF TITLE OF IMPOUNDED MOTOR VEHICLE. (a) Notwithstanding Section 601.262, the court shall order the release of a motor vehicle impounded under Section 601.261 if, while the vehicle is impounded, title to the vehicle is transferred by:

- (1) foreclosure;
- (2) sale on execution;
- (3) cancellation of a conditional sales contract; or
- (4) judicial order.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.267. RELEASE OF IMPOUNDED MOTOR VEHICLE BY SHERIFF. A sheriff who impounds a motor vehicle shall release the vehicle:

(1) on presentation of an order of release from the court and payment of the fee for the impoundment by the defendant or a person authorized by the owner; or

(2) to a person who is shown as a lienholder on the vehicle's certificate of title on presentation of the certificate of title and an accompanying affidavit from an officer of the lienholder establishing that the debt secured by the vehicle is in default or has matured.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER J. IMPOUNDMENT OF MOTOR VEHICLE NOT REGISTERED IN THIS STATE

Sec. 601.291. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the owner or operator of a motor vehicle that:

- (1) is not registered in this state; and

(2) is involved in a motor vehicle accident in this state that results in bodily injury, death, or damage to the property of one person to an apparent extent of at least \$500.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.292. DUTY TO PROVIDE EVIDENCE OF FINANCIAL RESPONSIBILITY TO INVESTIGATING OFFICER. A person to whom this subchapter applies shall provide evidence of financial responsibility to a law enforcement officer of this state or a political subdivision of this state who is conducting an investigation of the accident.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.293. FAILURE TO PROVIDE EVIDENCE OF FINANCIAL RESPONSIBILITY; MAGISTRATE'S INQUIRY AND ORDER. (a) A person to whom this subchapter applies who fails to provide evidence under Section 601.292 shall be taken before a magistrate as soon as practicable.

(b) The magistrate shall conduct an inquiry on the issues of negligence and liability for bodily injury, death, or property damage sustained in the accident.

(c) If the magistrate determines that there is a reasonable possibility that a judgment will be rendered against the person for bodily injury, death, or property damage sustained in the accident, the magistrate shall order the person to provide:

(1) evidence of financial responsibility for the bodily injury, death, or property damage; or

(2) evidence that the person is exempt from the requirement of Section 601.051.

(d) A determination of negligence or liability under Subsection (c) does not act as collateral estoppel on an issue in a criminal or civil adjudication arising from the accident.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.294. IMPOUNDMENT OF MOTOR VEHICLE. If a person to whom this subchapter applies does not provide evidence required under Section 601.293(c), the magistrate shall enter an order

directing the sheriff of the county or the chief of police of the municipality to impound the motor vehicle owned or operated by the person that was involved in the accident.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.295. DURATION OF IMPOUNDMENT; RELEASE. (a) A motor vehicle impounded under Section 601.294 remains impounded until the owner, operator, or person authorized by the owner presents to the person authorized to release the vehicle:

(1) a certificate of release obtained from the department; and

(2) payment for the cost of impoundment.

(b) On presentation of the items described by Subsection (a), the person authorized to release an impounded motor vehicle shall release the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.296. CERTIFICATE OF RELEASE. (a) The department shall issue a certificate of release of an impounded motor vehicle to the owner, operator, or person authorized by the owner on submission to the department of:

(1) evidence of financial responsibility under Section 601.053 that shows that at the time of the accident the vehicle was in compliance with Section 601.051 or was exempt from the requirement of Section 601.051;

(2) a release executed by each person damaged in the accident other than the operator of the vehicle for which the certificate of release is requested; or

(3) security in a form and amount determined by the department to secure the payment of damages for which the operator may be liable.

(b) A person may satisfy the requirement of Subsection (a)(1) or (2) by submitting a photocopy of the item required.

(c) The department shall adopt the form, content, and procedures for issuance of a certificate of release.

(d) Security provided under this section is subject to Sections 601.163 to 601.167.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.297. LIABILITY FOR COST OF IMPOUNDMENT. The owner of an impounded vehicle is liable for the costs of the impoundment. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER K. EVIDENCE OF FINANCIAL RESPONSIBILITY FOLLOWING JUDGMENT, CONVICTION, PLEA, OR FORFEITURE OR FOLLOWING SUSPENSION OR REVOCATION

Sec. 601.331. REPORT OF UNSATISFIED JUDGMENT OR CONVICTION, PLEA, OR FORFEITURE OF BAIL; NONRESIDENT. (a) If a person does not satisfy a judgment before the 61st day after the date of the judgment, the clerk of the court, on the written request of a judgment creditor or a judgment creditor's attorney, immediately shall send a certified copy of the judgment to the department.

(b) The clerk of the court immediately shall send to the department a certified copy of the action of the court in relation to:

(1) a conviction for a violation of a motor vehicle law; or

(2) a guilty plea or forfeiture of bail by a person charged with violation of a motor vehicle law.

(c) A certified copy sent to the department under Subsection (b) is prima facie evidence of the conviction, plea, forfeiture, or other action.

(d) If the court does not have a clerk, the judge of the court shall send the certified copy required by this section.

(e) If the defendant named in a judgment reported to the department is a nonresident, the department shall send a certified copy of the judgment to the official in charge of issuing driver's licenses and vehicle registrations of the state, province of Canada, or state of Mexico in which the defendant resides.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 75, Sec. 1, eff. Sept. 1, 1997.

Sec. 601.332. SUSPENSION OF DRIVER'S LICENSE AND VEHICLE

REGISTRATION OR NONRESIDENT'S OPERATING PRIVILEGE FOR UNSATISFIED JUDGMENT. (a) Except as provided by Sections 601.333, 601.334, and 601.336, on receipt of a certified copy of a judgment under Section 601.331, the department shall suspend the judgment debtor's:

- (1) driver's license and vehicle registrations; or
- (2) nonresident's operating privilege.

(b) Subject to Sections 601.333, 601.334, and 601.336, the suspension continues, and the person's driver's license, vehicle registrations, or nonresident's operating privilege may not be renewed or the person issued a driver's license or registration in the person's name, until:

- (1) the judgment is stayed or satisfied; and
- (2) the person provides evidence of financial responsibility.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.333. RELIEF FROM SUSPENSION: MOTOR VEHICLE LIABILITY INSURANCE. (a) A person whose driver's license, vehicle registrations, or nonresident's operating privilege has been suspended or is subject to suspension under Section 601.332 may file with the department:

(1) evidence that there was a motor vehicle liability insurance policy covering the motor vehicle involved in the accident out of which the judgment arose in effect at the time of the accident;

(2) an affidavit stating that the person was insured at the time of the accident, that the insurance company is liable to pay the judgment, and the reason, if known, that the insurance company has not paid the judgment;

(3) the original policy of insurance or a certified copy of the policy, if available; and

(4) any other documents required by the department to show that the loss, injury, or damage for which the judgment was rendered was covered by the insurance.

(b) The department may not suspend the driver's license, vehicle registrations, or nonresident's operating privilege, and shall reinstate a license, registration, or privilege that has been

suspended, if it is satisfied from the documents filed under Subsection (a) that:

(1) there was a motor vehicle liability insurance policy in effect for the vehicle at the time of the accident;

(2) the insurance company that issued the policy was authorized to issue the policy in this state at the time the policy was issued; and

(3) the insurance company is liable to pay the judgment to the extent and for the amounts required by this chapter. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.334. RELIEF FROM SUSPENSION: CONSENT OF JUDGMENT CREDITOR. (a) The department may allow a judgment debtor's driver's license and vehicle registrations or nonresident's operating privilege to continue, notwithstanding Section 601.332, if:

(1) the judgment creditor consents to the continuation in writing in the form prescribed by the department; and

(2) the judgment debtor provides evidence of financial responsibility to the department.

(b) Continuation of a judgment debtor's driver's license and vehicle registrations or nonresident's operating privilege expires on the later of:

(1) the date the consent of the judgment creditor is revoked in writing; or

(2) the expiration of six months after the effective date of the consent.

(c) Subsection (b) applies notwithstanding default in the payment of the judgment or any installments to be made under Section 601.335.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.335. INSTALLMENT PAYMENTS AUTHORIZED. (a) A judgment debtor, on notice to the judgment creditor, may apply to the court in which judgment was rendered to pay the judgment in installments.

(b) The court may order payment in installments and may

establish the amounts and times of the payments.

(c) An order issued under this section is issued without prejudice to any other legal remedy that the judgment creditor has. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.336. RELIEF FROM SUSPENSION: INSTALLMENT PAYMENTS; DEFAULT. (a) Subject to Subsection (c), the department may not suspend a judgment debtor's driver's license, vehicle registration, or nonresident's operating privilege under Section 601.332 if the judgment debtor:

(1) files evidence of financial responsibility with the department; and

(2) obtains an order under Section 601.335 permitting the payment of the judgment in installments.

(b) Subject to Subsection (c), the department shall restore a judgment debtor's driver's license, vehicle registrations, or nonresident's operating privilege that was suspended following nonpayment of a judgment if the judgment debtor complies with Subsections (a)(1) and (2).

(c) On notice that a judgment debtor has failed to pay an installment as specified in an order issued under Section 601.335, the department shall suspend the judgment debtor's driver's license, vehicle registrations, or nonresident's operating privilege. The suspensions continue until the judgment is satisfied as provided by this chapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.337. EFFECT OF BANKRUPTCY. A discharge in bankruptcy after a judgment is rendered relieves the judgment debtor from the requirements of this chapter, except for financial responsibility requirements arising after the date of the discharge.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.338. EVIDENCE OF FINANCIAL RESPONSIBILITY OR SUSPENSION OF DRIVER'S LICENSE AND VEHICLE REGISTRATION OF OWNER OF MOTOR VEHICLE. (a) The department shall suspend the driver's

license and vehicle registrations of the owner of a motor vehicle that was used with the owner's consent by another person at the time of an offense resulting in conviction or a plea of guilty, if under state law the department:

(1) suspends or revokes the driver's license of the other person on receipt of a record of a conviction; or

(2) suspends the vehicle registration of the other person on receipt of a record of a plea of guilty.

(b) The department may not suspend the driver's license and vehicle registration of an owner under this section if the owner files and maintains evidence of financial responsibility with the department for each motor vehicle registered in the name of the owner.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.339. EVIDENCE OF FINANCIAL RESPONSIBILITY FOLLOWING CONVICTION, PLEA, OR FORFEITURE. (a) Except as provided by Subsection (c), the department may not issue a driver's license to a person who does not hold a driver's license and who:

(1) enters a plea of guilty to an offense or is convicted by a final order or a judgment that:

(A) requires the suspension or revocation of a driver's license;

(B) is imposed for operating a motor vehicle on a highway without a driver's license; or

(C) is imposed for operating an unregistered motor vehicle on a highway; or

(2) forfeits bail or collateral deposited to secure an appearance for trial for an offense described by Subdivision (1).

(b) Except as described by Subsection (c), a motor vehicle may not be registered in the name of a person described by Subsection (a).

(c) Notwithstanding Subsections (a) and (b), a driver's license may be issued or a motor vehicle may be registered if the person files and maintains evidence of financial responsibility with the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.340. EVIDENCE OF FINANCIAL RESPONSIBILITY OR SUSPENSION OF VEHICLE REGISTRATION FOLLOWING SUSPENSION OR REVOCATION OF DRIVER'S LICENSE. (a) Except as provided by Subsection (b) or (c), the department shall suspend the registration of each motor vehicle registered in the name of a person if the department:

(1) under any state law, other than Section [521.341\(7\)](#), suspends or revokes the person's driver's license on receipt of a record of a conviction or a forfeiture of bail; or

(2) receives a record of a guilty plea of the person entered for an offense for which the department would be required to suspend the driver's license of a person convicted of the offense.

(b) The department, unless otherwise required by law, may not suspend a registration under Subsection (a) if the person files and maintains evidence of financial responsibility with the department for each motor vehicle registered in the name of the person.

(c) This section does not apply to a suspension of a driver's license for an offense under Chapter [106](#), Alcoholic Beverage Code, other than an offense that includes confinement as an authorized sanction.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.128, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1013, Sec. 30, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. [2018](#)), Sec. 20.006, eff. September 1, 2005.

Sec. 601.341. EVIDENCE OF FINANCIAL RESPONSIBILITY; TERMINATION OF PENALTY. Unless a person whose driver's license or vehicle registration has been suspended or revoked under this subchapter files and maintains evidence of financial responsibility with the department:

(1) the suspension or revocation may not be terminated;

(2) the driver's license or registration may not be

renewed;

(3) a new driver's license may not be issued to the person; or

(4) a motor vehicle may not be registered in the name of the person.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.129, eff. Sept. 1, 1997.

Sec. 601.342. EVIDENCE OF FINANCIAL RESPONSIBILITY FOLLOWING SUSPENSION OR REVOCATION OF NONRESIDENT'S OPERATING PRIVILEGE. The department may not terminate the suspension or revocation of a nonresident's operating privilege suspended or revoked under this subchapter because of a conviction, forfeiture of bail, or guilty plea unless the person files and maintains evidence of financial responsibility with the department.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.129, eff. Sept. 1, 1997.

SUBCHAPTER L. EFFECT OF SUSPENSION

Sec. 601.371. OPERATION OF MOTOR VEHICLE IN VIOLATION OF SUSPENSION; OFFENSE. (a) A person commits an offense if the person, during a period that a suspension of the person's vehicle registration is in effect under this chapter, knowingly permits a motor vehicle owned by the person to be operated on a highway.

(b) It is an affirmative defense to prosecution under this section that the person had not received notice of a suspension order concerning the person's vehicle registration. For purposes of this subsection, notice is presumed to be received if the notice was sent in accordance with this chapter to the last known address or e-mail address of the person as shown by department records.

(c) Except as provided by Subsection (d), an offense under this section is a misdemeanor punishable by:

(1) a fine of not less than \$100 or more than \$500; and
(2) confinement in county jail for a term of not less than 72 hours or more than six months.

(d) If it is shown on the trial of an offense under this

section that the person has previously been convicted of an offense under this section, the offense is punishable as a Class A misdemeanor.

(e) In this section, a conviction for an offense that involves operation of a motor vehicle after August 31, 1987, is a final conviction, whether the sentence for the conviction is imposed or probated.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 855, Sec. 2, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. 3376), Sec. 11, eff. September 1, 2017.

Sec. 601.372. RETURN OF DRIVER'S LICENSE AND VEHICLE REGISTRATION TO DEPARTMENT. (a) The department shall give written notice of a suspension of a driver's license and vehicle registration to a person who is required to maintain a motor vehicle liability insurance policy or bond under this chapter and whose policy or bond is canceled or terminated or who does not provide other evidence of financial responsibility on the request of the department.

(b) The notice must be provided by:

(1) personal delivery to the person;

(2) deposit in the United States mail addressed to the person at the last address supplied to the department by the person; or

(3) e-mail if the person has provided an e-mail address to the department and has elected to receive notice electronically.

(b-1) Notice provided under Subsection (b) by mail or e-mail is presumed to be received on the 10th day after the date the notice is sent.

(c) The department by rule may require the person to send the person's driver's license and vehicle registrations not later than the 10th day after the date the person receives written notice from the department.

(d) Proof of the notice may be made by the certificate of a

department employee stating that:

(1) the notice was prepared in the regular course of business and placed in the United States mail or sent by e-mail as part of the regular organized activity of the department; or

(2) the employee delivered the notice in person.

(e) A certificate under Subsection (d)(2) must specify the name of the person to whom the notice was given and the time, place, and manner of the delivery of the notice.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 884, Sec. 3, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1079 (H.B. 3376), Sec. 12, eff. September 1, 2017.

Sec. 601.373. FAILURE TO RETURN DRIVER'S LICENSE OR VEHICLE REGISTRATION; OFFENSE. (a) A person commits an offense if the person wilfully fails to send a driver's license or vehicle registration as required by Section 601.372. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$200.

(b) The department may direct a department employee to obtain and send to the department the driver's license and vehicle registration of a person who fails to send the person's license or registration in accordance with Section 601.372. The director of the department or the person designated by the director may file a complaint against a person for an offense under Subsection (a).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 884, Sec. 4, eff. Sept. 1, 1999.

Sec. 601.374. TRANSFER OF VEHICLE REGISTRATION PROHIBITED.

(a) An owner whose vehicle registration has been suspended under this chapter may not:

(1) transfer the registration unless the transfer is authorized under Subsection (b); or

(2) register in another name the motor vehicle to which the registration applies.

(b) The department may authorize the transfer of vehicle registration if the department is satisfied that the transfer is

proposed in good faith and not to defeat the purposes of this chapter.

(c) This section does not affect the rights of a conditional vendor or lessor of, or person with a security interest in, a motor vehicle owned by a person who is subject to this section if the vendor, lessor, or secured party is not the registered owner of the vehicle.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.375. COOPERATION WITH OTHER STATE OR CANADA. (a) The department shall send a certified copy of the record of the department's action suspending a nonresident's operating privilege under Subchapter F or under Sections [601.332](#), [601.333](#), and [601.334](#) to the official in charge of issuing driver's licenses and vehicle registrations of the state or province of Canada in which the nonresident resides.

(b) Subsection (a) applies only if the law of the other state or the province provides for action similar to the action required by Section [601.009](#).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 601.376. REINSTATEMENT FEE. (a) A driver's license, vehicle registration, or nonresident's operating privilege that has been suspended under this chapter may not be reinstated and a new license or registration may not be issued to the holder of the suspended license, registration, or privilege until the person:

- (1) pays to the department a fee of \$100; and
- (2) complies with the other requirements of this

chapter.

(b) The fee imposed by this section is in addition to other fees imposed by law.

(c) A person is required to pay only one fee under this section, without regard to the number of driver's licenses and vehicle registrations to be reinstated for or issued to the person in connection with the payment.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1189, Sec. 38, eff. Sept. 1, 1999.

SUBCHAPTER M. APPEAL OF DEPARTMENT ACTION

Sec. 601.401. DEPARTMENT ACTIONS SUBJECT TO REVIEW. (a) An action of the department under this chapter may be appealed, unless:

(1) an order of suspension by the department is based on an existing unsatisfied final judgment rendered against a person by a court in this state arising out of the use of a motor vehicle in this state; or

(2) the suspension is automatic under Section [601.231\(a\)](#).

(b) To appeal an action of the department, the person must file a petition not later than the 30th day after the date of the action in the county court at law in the county in which the person resides or the county court of the county in which the person resides, if the county does not have a county court at law.

(c) A person who files an appeal under this section shall send a file-stamped copy of the petition by certified mail to the department at the department's headquarters in Austin. The copy must be certified by the clerk of the court in which the petition is filed.

(d) The filing of a petition of appeal as provided by this section stays an order of suspension until the earlier of the 91st day after the date the appeal petition is filed or the date the trial is completed and final judgment is rendered.

(e) On expiration of the stay, the department shall impose the suspension. The stay may not be extended, and an additional stay may not be granted.

(f) A trial on appeal is de novo.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1117, Sec. 6, eff. Sept. 1, 2000.

SUBCHAPTER N. FINANCIAL RESPONSIBILITY VERIFICATION PROGRAM

Sec. 601.451. DEFINITION. In this subchapter, "implementing agencies" means:

- (1) the department;
- (2) the Texas Department of Motor Vehicles;
- (3) the Texas Department of Insurance; and
- (4) the Department of Information Resources.

Added by Acts 2005, 79th Leg., Ch. 892 (S.B. 1670), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 2J.02, eff. September 1, 2009.

Sec. 601.452. IMPLEMENTATION OF PROGRAM; RULES. (a) The Texas Department of Insurance in consultation with the other implementing agencies shall establish a program for verification of whether owners of motor vehicles have established financial responsibility. The program established must be:

- (1) the program most likely to:
 - (A) reduce the number of uninsured motorists in this state;
 - (B) operate reliably;
 - (C) be cost-effective;
 - (D) sufficiently protect the privacy of the motor vehicle owners;
 - (E) sufficiently safeguard the security and integrity of information provided by insurance companies;
 - (F) identify and employ a method of compliance that improves public convenience; and
 - (G) provide information that is accurate and current; and
- (2) capable of being audited by an independent auditor.

(b) The implementing agencies shall jointly adopt rules to administer this subchapter.

(c) The implementing agencies shall convene a working group to facilitate the implementation of the program, assist in the development of rules, and coordinate a testing phase and necessary changes identified in the testing phase. The working group must consist of representatives of the implementing agencies and the

insurance industry and technical experts with the skills and knowledge, including knowledge of privacy laws, required to create and maintain the program.

Added by Acts 2005, 79th Leg., Ch. 892 (S.B. 1670), Sec. 1, eff. September 1, 2005.

Sec. 601.453. AGENT. (a) The Texas Department of Insurance in consultation with the other implementing agencies, under a competitive bidding procedure, shall select an agent to develop, implement, operate, and maintain the program.

(b) The implementing agencies shall jointly enter into a contract with the selected agent.

(c) A contract under this section may not have a term of more than five years.

Added by Acts 2005, 79th Leg., Ch. 892 (S.B. 1670), Sec. 1, eff. September 1, 2005.

Sec. 601.454. INFORMATION PROVIDED BY INSURANCE COMPANY; PRIVACY. (a) Each insurance company providing motor vehicle liability insurance policies in this state shall provide necessary information for those policies to allow the agent to carry out this subchapter, subject to the agent's contract with the implementing agencies and rules adopted under this subchapter.

(b) The agent is entitled only to information that is at that time available from the insurance company and that is determined by the implementing agencies to be necessary to carry out this subchapter.

(c) Information obtained under this subchapter is confidential. The agent:

(1) may use the information only for a purpose authorized under this subchapter;

(2) may not use the information for a commercial purpose; and

(3) on request, and subject to appropriate safeguards to protect the privacy of motor vehicle owners developed by the implementing agencies and the attorney general, may provide the information to the attorney general for the purpose of enforcing

child support obligations.

(d) A person commits an offense if the person knowingly uses information obtained under this subchapter for any purpose not authorized under this subchapter. An offense under this subsection is a Class B misdemeanor.

Added by Acts 2005, 79th Leg., Ch. 892 (S.B. 1670), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 767 (S.B. 865), Sec. 36, eff. June 19, 2009.

Sec. 601.455. ACCESS BY COURT. (a) A justice or municipal court may access the verification program established under this subchapter to verify financial responsibility for the purpose of court proceedings.

(b) The costs associated with accessing the verification program under this section shall be paid out of the county treasury by order of the commissioners court or the municipal treasury by order of the governing body of the municipality, as applicable.

Added by Acts 2021, 87th Leg., R.S., Ch. 259 (H.B. 1693), Sec. 1, eff. June 4, 2021.