

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;

- (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