

1
2 INTRODUCTION BY *Sen. Smith* BILL NO. 112
Devin Ferguson

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
5 53-438, R.C.M. 1947, TO INCREASE THE MINIMUM PROOF OF
6 FINANCIAL RESPONSIBILITY FROM TEN THOUSAND DOLLARS TO
7 TWENTY-FIVE THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO OR
8 DEATH OF ONE PERSON IN ANY ONE ACCIDENT, AND TO INCREASE
9 FROM TWENTY THOUSAND DOLLARS TO FIFTY THOUSAND DOLLARS THE
10 AMOUNT REQUIRED FOR BODILY INJURY TO OR DEATH OF TWO (2) OR
11 MORE PERSONS IN ANY ONE ACCIDENT."

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 53-438, R.C.M. 1947, is amended to
15 read as follows:

16 "53-438. Motor vehicle liability policy defined. (a) A
17 "motor vehicle liability policy" as said term is used in
18 this act shall mean an owner's or operator's policy of
19 liability insurance, certified as provided in section 53-436
20 or section 53-437 as proof of financial responsibility and
21 issued, except as otherwise provided in section 53-437, by
22 an insurance carrier duly authorized to transact business in
23 this state, to or for the benefit of the person named
24 therein as insured.

25 (b) Such owner's policy of liability insurance:

1 1. shall designate by explicit description or by
2 appropriate reference all motor vehicles with respect to
3 which coverage is thereby to be granted; and

4 2. shall insure the person named therein and any other
5 person, as insured, using any such motor vehicle or motor
6 vehicles with the express or implied permission of such
7 named insured, against loss from the liability imposed by
8 law for damages arising out of the ownership, maintenance or
9 use of such motor vehicle or motor vehicles within the
10 United States of America or the Dominion of Canada, subject
11 to limits exclusive of interest and costs, with respect to
12 each such motor vehicle, as follows: ~~ten--thousand--dollars~~
13 ~~(\$10,000)~~ twenty-five thousand dollars (\$25,000) because of
14 bodily injury to or death of one person in any one accident
15 and subject to said limit for one person, ~~twenty--thousand~~
16 ~~dollars--(\$20,000)~~ fifty thousand dollars (\$50,000) because
17 of bodily injury to or death of two or more persons in any
18 one accident, and five thousand dollars (\$5,000) because of
19 injury to or destruction of property of others in any one
20 accident.

21 (c) Such operator's policy of liability insurance shall
22 insure the person named as insured therein against loss from
23 the liability imposed upon him by law for damages arising
24 out of the use by him of any motor vehicle not owned by him,
25 within the same territorial limits and subject to the same

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1 limits of liability as are set forth above with respect to
2 an owner's policy of liability insurance.

3 (d) Such motor vehicle liability policy shall state the
4 name and address of the named insured, the coverage afforded
5 by the policy, the premium charged therefor, the policy
6 period and the limits of liability, and shall contain an
7 agreement or be endorsed that insurance is provided
8 thereunder in accordance with the coverage defined in this
9 act as respects bodily injury and death or property damage,
10 or both, and is subject to all the provisions of this act.

11 (e) Such motor vehicle liability policy need not insure
12 any liability under any workmen's compensation law nor any
13 liability on account of bodily injury to or death of an
14 employee of the insured while engaged in the employment,
15 other than domestic, of the insured, or while engaged in the
16 operation, maintenance or repair of any such motor vehicle
17 nor any liability for damage to property owned by, rented
18 to, in charge of or transported by the insured.

19 (f) Every motor vehicle liability policy shall be
20 subject to the following provisions which need not be
21 contained therein:

22 1. the liability of the insurance carrier with respect
23 to the insurance required by this act shall become absolute
24 whenever injury or damage covered by said motor vehicle
25 liability policy occurs; said policy may not be canceled or

1 annulled as to such liability by any agreement between the
2 insurance carrier and the insured after the occurrence of
3 the injury or damage; no statement made by the insured or on
4 his behalf and no violation of said policy shall defeat or
5 void said policy;

6 2. the satisfaction by the insured of a judgment for
7 such injury or damage shall not be a condition precedent to
8 the right or duty of the insurance carrier to make payment
9 on account of such injury or damage;

10 3. the insurance carrier shall have the right to
11 settle any claim covered by the policy, and if such
12 settlement is made in good faith, the amount thereof shall
13 be deductible from the limits of liability specified in
14 subdivision 2 of subsection (b) of this section;

15 4. the policy, the written application therefor, if
16 any, and any rider or endorsement which does not conflict
17 with the provisions of the act shall constitute the entire
18 contract between the parties.

19 (g) No motor vehicle policy shall be subject to
20 cancellation, termination, or premium increase, due to
21 injury or damage incurred by the insured or operator unless
22 the insured or operator be found to have violated a traffic
23 law or ordinance of the state or a city, be found negligent
24 or contributorily negligent in a court of law, or by the
25 arbitration proceedings contained in chapter 201 of Title

1 93, R.C.M. 1947, or pays damages to another party whether by
 2 settlement or otherwise. In no event may a premium be
 3 increased during the term of the policy unless there is a
 4 change in exposure.

5 (h) Any policy which grants the coverage required for a
 6 motor vehicle liability policy may also grant any lawful
 7 coverage in excess of or in addition to the coverage
 8 specified for a motor vehicle liability policy and such
 9 excess or additional coverage shall not be subject to the
 10 provisions of this act. With respect to a policy which
 11 grants such excess or additional coverage the term "motor
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 17 to make under the terms of the policy except for the
 18 provisions of this act.

19 (j) Any motor vehicle liability policy may provide for
 20 the prorating of the insurance thereunder with other valid
 21 and collectible insurance.

22 (k) The requirements for a motor vehicle liability
 23 policy may be fulfilled by the policies of one or more
 24 insurance carriers which policies together meet such
 25 requirements.

1 (l) Any binder issued pending the issuance of a motor
 2 vehicle liability policy shall be deemed to fulfill the
 3 requirements for such a policy.

4 (m) A reduced limits endorsement shall not be issued by
 5 any company to be attached to any policy issued in
 6 compliance with this section."

-End-

SB112

STATE OF MONTANA

REQUEST NO. 50-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 20, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 111 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to reduce the corporation license tax to 6 1/8% of net income from 6 3/4%.

ASSUMPTIONS:

1. Corporation license tax collections under current law will be \$18.765 million in FY 76 and \$20,000 million in FY 77.
2. Taxable income and number of corporations used in estimating collections under current law will not change under proposed law.
3. The number of corporations paying the \$50 minimum tax will be 4200 in FY 76 and FY 77. This number will not change under proposed law.
4. The intent of the bill is not to make the decreased rate retroactive to taxable years ending on or after February 28, 1971, but to make the new rate effective for taxable years ending on or after February 28, 1975. (Confirmed by sponsor)

FISCAL IMPACT:

	FY 76	FY 77
Corporation license tax collections under current law	\$ 18.765 million	\$ 20.000 million
Corporation license tax collections under proposed law	<u>17.047</u>	<u>18.168</u>
Decrease in collections	<u>\$ 1.718 million</u>	<u>\$ 1.832 million</u>

CONCLUSION:

Enactment of Senate Bill 111 would result in a revenue loss of \$3.55 million during the 1976-77 biennium. Income tax collections are allocated 64% to the General Fund, 25% to the School Equalization Aid Earmarked Revenue Fund, and 11% to the Long-Range Building Program.

Michael Balling

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 24, 1975

Approved by Committee on Judiciary

1 *Sen. Jergeson* BILL NO. 112
2 INTRODUCED BY *Dwaine Jergeson*
3

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8 law for damages arising out of the ownership, maintenance or
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 5 any company to be attached to any policy issued in
 6 compliance with this section."

-End-

S B 112

March 17, 1975

SENATE COMMITTEE OF THE WHOLE

AMENDMENTS TO HOUSE BILL NO. 112

That House Bill No. 112, be amended as follows:

Amend Senate Committee on Local Government Amendments, dated March 12, 1975, as follows:

1. Amend amendment No. 5, insertion paragraph, line 5.
Following: "consecutive"
Strike: "weeks"
Insert: "hours"

March 25, 1975

HOUSE OF REPRESENTATIVES

Committee of the Whole Amendment to SENATE BILL NO. 112,
third reading copy, as follows:

1. Amend title, page 1, line 8

Following: "ACCIDENT,"

Strike: "AND"

2. Amend title, page 1, line 11

Following: "ACCIDENT"

Insert: ", AND TO INCREASE PROPERTY DAMAGE LIMIT FROM
FIVE THOUSAND DOLLARS TO TEN THOUSAND DOLLARS"

3. Amend page 2, section 1, subsection 1, line 18

Following: "and"

Strike: "five thousand dollars (\$5,000)"

Insert: "ten thousand dollars (\$10,000)"

As so amended

Be concurred In

SENATE BILL NO. 112

INTRODUCED BY DEVINE, JERGESON

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 53-438, R.C.M. 1947, TO INCREASE THE MINIMUM PROOF OF FINANCIAL RESPONSIBILITY FROM TEN THOUSAND DOLLARS TO TWENTY-FIVE THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO OR DEATH OF ONE PERSON IN ANY ONE ACCIDENT, ~~AND~~ TO INCREASE FROM TWENTY THOUSAND DOLLARS TO FIFTY THOUSAND DOLLARS THE AMOUNT REQUIRED FOR BODILY INJURY TO OR DEATH OF TWO (2) OR MORE PERSONS IN ANY ONE ACCIDENT, AND TO INCREASE PROPERTY DAMAGE LIMIT FROM FIVE THOUSAND DOLLARS TO TEN THOUSAND DOLLARS."

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