

CHAPTER NO. 592

HOUSE BILL NO. 708

INTRODUCED BY PISTORIA, GILLIGAN, H. ROBBINS,
TROPILA, VINCENT, BENGTSON, HOLMES, DOZIER

IN THE HOUSE

February 10, 1979	Introduced and referred to Committee on Highways and Transportation.
February 15, 1979	Committee recommend bill do pass as amended. Report adopted.
February 17, 1979	Printed and placed on members' desks.
February 20, 1979	Second reading, do pass as amended.
February 21, 1979	Correctly engrossed.
February 22, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Highways and Transportation.
March 7, 1979	Rereferred to Committee on on Judiciary.
March 22, 1979	On motion taken from Committee on Judiciary and referred to second reading. Motion adopted.
March 24, 1979	Motion pass consideration.
March 26, 1979	Second reading, concurred in as amended.
March 27, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 28, 1979	Returned from second house. Concurred in as amended.
March 31, 1979	Second reading, amendments rejected. Joint Conference Committee requested.
April 2, 1979	Joint Conference Committee appointed.
April 5, 1979	Joint Conference Committee reported.
April 6, 1979	Second reading, adopted.
April 7, 1979	Third reading, adopted.
April 9, 1979	Second house, adopted. Sent to enrolling. Reported correctly enrolled.

1 *House* BILL NO. *708*
 2 INTRODUCED BY *Professoria Gilligan & Robb*
 3 *Orpheus VINCENT Benjamin Harold Dwyer*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING MOTOR VEHICLE
 5 LIABILITY PROTECTION ON MOTOR VEHICLES AS A CONDITION OF
 6 OPERATION OF THOSE VEHICLES UPON THE HIGHWAYS OR OTHER
 7 PREMISES OPEN TO USE BY THE PUBLIC; AMENDING SECTIONS
 8 61-6-123 AND 61-6-142, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. Section 1. Required motor vehicle
 12 insurance. (1) Every owner of a motor vehicle which is
 13 registered and operated in Montana by the owner or with his
 14 permission shall continuously provide insurance against loss
 15 resulting from liability imposed by law for bodily injury or
 16 death or damage to property suffered by any person caused by
 17 maintenance or use of a motor vehicle, as defined in
 18 61-1-102, in an amount not less than that required by
 19 61-6-103, or a certificate of self-insurance issued in
 20 accordance with 61-6-143.

21 (2) A motor vehicle owner who prefers to post an
 22 indemnity bond with the director of insurance in lieu of
 23 obtaining a policy of liability insurance may do so. The
 24 bond shall guarantee that any loss resulting from liability
 25 imposed by law for bodily injury, death, or damage to

1 property suffered by any person caused by accident and
 2 arising out of the operation, maintenance, and use of the
 3 motor vehicle sought to be registered shall be paid within
 4 30 days. The indemnity bond shall guarantee payment in the
 5 amount provided for insurance under subsection (1).

6 (3) Any bond given in connection with this section is
 7 a continuing instrument and shall cover the period for which
 8 the motor vehicle is to be registered and operated. Such
 9 bond shall be on a form approved by the commissioner of
 10 insurance with a surety company authorized to do business in
 11 the state.

12 NEW SECTION. Section 2. Proof of compliance. (1)
 13 Before any applicant required to register his motor vehicle
 14 may do so the applicant must certify the existence of
 15 automobile liability insurance covering the motor vehicle on
 16 a form prescribed by the division of motor vehicles. The
 17 division may immediately cancel the registration and license
 18 plates of the vehicle upon notification that the insurance
 19 certification was not correctly represented.

20 (2) An owner of a motor vehicle who ceases to maintain
 21 the insurance required shall immediately surrender the
 22 registration and license plates for the vehicle to the
 23 division and may not operate or permit operation of the
 24 vehicle in Montana until insurance has again been furnished
 25 as required and the vehicle is again registered and

1 licensed.

2 ~~NEW SECTION.~~ Section 3. Exempt vehicles. The
 3 following vehicles and their drivers are exempt from the
 4 provisions of [section 1]:

5 (1) a vehicle owned by the United States government or
 6 any state or political subdivision;

7 (2) a vehicle for which cash, securities, or a bond
 8 has been deposited or filed with the division upon such
 9 terms and conditions providing the same benefits available
 10 under a required motor vehicle liability insurance policy;

11 (3) a vehicle owned by a self-insurer certified as
 12 provided in 61-6-143;

13 (4) an implement of husbandry or special mobile
 14 equipment that is only incidentally operated on a highway or
 15 property open to use by the public;

16 (5) a vehicle operated upon a highway only for the
 17 purpose of crossing such highway from one property to
 18 another;

19 (6) a commercial vehicle registered or proportionally
 20 registered in this and any other jurisdiction provided that
 21 vehicle is covered by a motor vehicle liability insurance
 22 policy complying with the laws of another jurisdiction in
 23 which it is registered;

24 (7) a vehicle moved solely by human or animal power.

25 ~~NEW SECTION.~~ Section 4. Penalties. It is unlawful for

1 any person to operate a motor vehicle upon highways,
 2 streets, or roadways of this state without a valid policy of
 3 liability insurance in effect in an amount not less than
 4 that provided in [section 1] or unless such person has been
 5 issued a certificate of self-insurance pursuant to [section
 6 2] or has previously posted an indemnity bond with the
 7 commissioner of insurance as provided by [section 1]. A
 8 violation of this section is a misdemeanor.

9 Section 5. Section 61-6-123, MCA, is amended to read:
 10 "61-6-123. Suspension to continue until judgments paid
 11 and proof given -- maximum period of suspension. Such
 12 license, ~~registration,~~ and nonresident's operating privilege
 13 shall remain so suspended and shall not be renewed, nor
 14 shall any such license or ~~registration~~ be thereafter issued
 15 in the name of such person, including any such person not
 16 previously licensed, unless and until every such judgment is
 17 stayed, satisfied in full or to the extent hereinafter
 18 provided, and until the person gives proof of financial
 19 responsibility subject to the exemptions stated in 61-6-122
 20 and 61-6-125 or 6 years have passed from date judgment was
 21 first entered as provided in 25-9-301, and the person has
 22 complied with [sections 1 and 2]."

23 Section 6. Section 61-6-142, MCA, is amended to read:
 24 "61-6-142. Duration of proof -- when proof money or
 25 securities may be canceled or returned. (1) ~~The--division~~

1 ~~shall upon request consent to the immediate cancellation of~~
 2 ~~any bond or certificate of insurance; the~~ Iha division shall
 3 direct and the state treasurer shall return to the person
 4 entitled thereto any money or securities deposited pursuant
 5 to this part as proof of financial responsibility, or the
 6 division shall waive the requirement of filing proof under
 7 this part, in any of the following events:

8 (a) at any time after 3 years from the date such proof
 9 was required when during the 3-year period preceding the
 10 request the division has not received record of a conviction
 11 or a forfeiture of bail which would require or permit the
 12 suspension or revocation of the license, registration, or
 13 nonresident's operating privilege of the person by or for
 14 whom such proof was furnished;

15 (b) in the event of the death of the person on whose
 16 behalf such proof was filed or the permanent incapacity of
 17 such person to operate a motor vehicle; or

18 (c) in the event the person who has given proof
 19 surrenders his license and registration to the division.

20 (2) However, the division shall not consent to the
 21 ~~cancellation of any bond or~~ the return of any money or
 22 securities in the event any action for damages upon a
 23 liability covered by such proof is then pending or any
 24 judgment upon any such liability is then unsatisfied, or in
 25 the event the person who has ~~filed such bond or~~ deposited

1 such money or securities has, within 1 year immediately
 2 preceding such request been involved as an operator or owner
 3 in any motor vehicle accident resulting in injury or damage
 4 to the person or property of others. An affidavit of the
 5 applicant as to the nonexistence of such facts, or that he
 6 has been released from all of his liability, or has been
 7 finally adjudicated not to be liable for such injury or
 8 damage, shall be sufficient evidence thereof in the absence
 9 of evidence to the contrary in the records of the division.

10 (3) Whenever any person whose proof has been canceled
 11 or returned under subsection (1)(c) of this section applies
 12 for a license or registration within a period of 3 years
 13 from the date proof was originally required, any such
 14 application shall be refused unless the applicant ~~shall~~
 15 ~~reestablish such proof for the remainder of such 3-year~~
 16 ~~period~~ complies with the insurance or bond requirements
 17 under [sections 1 and 2].*

-End-

HB 708

STATE OF MONTANA

REQUEST NO. 378-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 15, 1979, there is hereby submitted a Fiscal Note for HB 708 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.

DESCRIPITON OF PROPOSED LEGISLATION:

House Bill 708 is an act requiring motor vehicle liability protection on motor vehicles as a condition of operation of those vehicles upon the highways or other premises open to use by the public.

ASSUMPTIONS:

Under section two of this act it is assumed the state will make no asserted effort to verify that the insurance certification was not correctly represented.

One full-time FTE will be required to handle the indemnity bonds, self-insurance certification and other requirements of this act.

FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Personal Services:		
1 FTE @ grade 15 plus employee benefits @ 15.5 percent	19,168	19,168
Operating Expense		
Printing of forms	5,000	5,000
Office supplies	530	530
Total Program	<u>24,698</u>	<u>24,698</u>

The additional cost will be funded from the Motor Vehicle Earmarked Revenue Account.

Richard L. DeAngelo
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2/21/79

Approved by Committee
on Highways & Transportation

HOUSE BILL NO. 708

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registered and operated in Montana by the owner or with his
permission shall continuously provide insurance against loss
resulting from liability imposed by law for bodily injury or
death or damage to property suffered by any person caused by
maintenance or use of a motor vehicle, as defined in
61-1-102, in an amount not less than that required by
61-5-103, or a certificate of self-insurance issued in
accordance with 61-6-143.

(2) A motor vehicle owner who prefers to post an
indemnity bond with the ~~director of~~ insurance DIVISION OF
MOTOR VEHICLES in lieu of obtaining a policy of liability
insurance may do so. The bond shall guarantee that any loss

resulting from liability imposed by law for bodily injury,
death, or damage to property suffered by any person caused
by accident and arising out of the operation, maintenance,
and use of the motor vehicle sought to be registered shall
be paid within 30 days. The indemnity bond shall guarantee
payment in the amount provided for insurance under
subsection (1).

(3) Any bond given in connection with this section is
a continuing instrument and shall cover the period for which
the motor vehicle is to be registered and operated. Such
bond shall be on a form approved by the commissioner of
insurance with a surety company authorized to do business in
the state.

NEW SECTION. Section 2. Proof of compliance. (1)
Before any applicant required to register his motor vehicle
may do so the applicant must certify TO THE COUNTY TREASURER
the existence of automobile liability insurance covering the
motor vehicle on a form prescribed by the division of motor
vehicles. The division may immediately cancel the
registration and license plates of the vehicle upon
notification that the insurance certification was not
correctly represented.

(2) An owner of a motor vehicle who ceases to maintain
the insurance required shall immediately surrender the
registration and license plates for the vehicle to the

1 division and may not operate or permit operation of the
2 vehicle in Montana until insurance has again been furnished
3 as required and the vehicle is again registered and
4 licensed.

5 NEW SECTION. Section 3. Exempt vehicles. The
6 following vehicles and their drivers are exempt from the
7 provisions of [section 1]:

8 (1) a vehicle owned by the United States government or
9 any state or political subdivision;

10 (2) a vehicle for which cash, securities, or a bond
11 has been deposited or filed with the division upon such
12 terms and conditions providing the same benefits available
13 under a required motor vehicle liability insurance policy;

14 (3) a vehicle owned by a self-insurer certified as
15 provided in 61-6-143;

16 (4) an implement of husbandry or special mobile
17 equipment that is only incidentally operated on a highway or
18 property open to use by the public;

19 (5) a vehicle operated upon a highway only for the
20 purpose of crossing such highway from one property to
21 another;

22 (6) a commercial vehicle registered or proportionally
23 registered in this and any other jurisdiction provided that
24 vehicle is covered by a motor vehicle liability insurance
25 policy complying with the laws of another jurisdiction in

1 which it is registered;

2 (7) a vehicle moved solely by human or animal power.

3 NEW SECTION. Section 4. Penalties. It is unlawful for
4 any person to operate a motor vehicle upon highways,
5 streets, or roadways of this state without a valid policy of
6 liability insurance in effect in an amount not less than
7 that provided in [section 1] or unless such person has been
8 issued a certificate of self-insurance pursuant to [section
9 2] or has previously posted an indemnity bond with the
10 commissioner of insurance as provided by [section 1]. A
11 violation of this section is a misdemeanor.

12 Section 5. Section 61-6-123, MCA, is amended to read:

13 "61-6-123. Suspension to continue until judgments paid
14 and proof given -- maximum period of suspension. Such
15 license~~s~~~~-registration~~ and nonresident's operating privilege
16 shall remain so suspended and shall not be renewed, nor
17 shall any such license ~~or-registration~~ be thereafter issued
18 in the name of such person, including any such person
19 previously licensed, unless and until every such judgment is
20 stayed, satisfied in full or to the extent hereinafter
21 provided, and until the person gives proof of financial
22 responsibility subject to the exemptions stated in 61-6-122
23 and 61-6-125 or 6 years have passed from date judgment was
24 first entered as provided in 25-9-301, ~~and the person has~~
25 complied with [sections 1 and 2]."

1 Section 6. Section 61-6-142, MCA, is amended to read:

2 "61-6-142. Duration of proof -- when proof ~~money or~~
 3 ~~securities~~ may be canceled or returned. (1) ~~The--division~~
 4 ~~shall--upon-request-consent-to-the-immediate-cancellation-of~~
 5 ~~any-bond-or-certificate-of-insurance;~~ the the division shall
 6 direct and the state treasurer shall return to the person
 7 entitled thereto any money or securities deposited pursuant
 8 to this part as proof of financial responsibility, or the
 9 division shall waive the requirement of filing proof under
 10 this part, in any of the following events:

11 (a) at any time after 3 years from the date such proof
 12 was required when during the 3-year period preceding the
 13 request the division has not received record of a conviction
 14 or a forfeiture of bail which would require or permit the
 15 suspension or revocation of the license, registration, or
 16 nonresident's operating privilege of the person by or for
 17 whom such proof was furnished;

18 (b) in the event of the death of the person on whose
 19 behalf such proof was filed or the permanent incapacity of
 20 such person to operate a motor vehicle; or

21 (c) in the event the person who has given proof
 22 surrenders his license and registration to the division.

23 (2) However, the division shall not consent to the
 24 ~~cancellation-of-any-bond-or~~ the return of any money or
 25 securities in the event any action for damages upon a

1 liability covered by such proof is then pending or any
 2 judgment upon any such liability is then unsatisfied, or in
 3 the event the person who has ~~filed-such--bond--or~~ deposited
 4 such money or securities has, within 1 year immediately
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 8 applicant as to the nonexistence of such facts, or that he
 9 has been released from all of his liability, or has been
 10 finally adjudicated not to be liable for such injury or
 11 damage, shall be sufficient evidence thereof in the absence
 12 of evidence to the contrary in the records of the division.

13 (3) Whenever any person whose proof has been canceled
 14 or returned under subsection (1)(c) of this section applies
 15 for a license or registration within a period of 3 years
 16 from the date proof was originally required, any such
 17 application shall be refused unless the applicant ~~shall~~
 18 ~~reestablish-such-proof-for--the--remainder--of--such--3-year~~
 19 ~~period~~ complies with the insurance or bond requirements
 20 under [sections 1 and 2]."

-End-

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Before any applicant required to register his motor vehicle
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the existence of automobile liability insurance, A
CERTIFICATE OF SELF-INSURANCE, A POSTED INDEMNITY BOND, OR
AN EXEMPTION UNDER [SECTION 3] covering the motor vehicle on
a form prescribed by the division of motor vehicles. The
division may immediately cancel the registration and license
plates of the vehicle upon notification that the insurance
certification was not correctly represented.

(2) An owner of a motor vehicle who ceases to maintain
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1 SELF-INSURANCE IS CANCELLED OR WHOSE VEHICLE CEASES TO BE
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 17 provided in 61-6-143;

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 22 purpose of crossing such highway from one property to
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 10 issued a certificate of self-insurance pursuant to [section
 11 2] or has previously posted an indemnity bond with the
 12 commissioner of insurance as provided by [section 1] OR IS
 13 OPERATING A VEHICLE EXEMPT UNDER [SECTION 3]. A violation of
 14 this section is a misdemeanor.

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21 (b) in the event of the death of the person on whose
 22 behalf such proof was filed or the permanent incapacity of
 23 such person to operate a motor vehicle; or

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 2 ~~cancellation of any bond or~~ the return of any money or
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-End-

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2 INTRODUCED BY PISTORIA, GILLIGAN, H. ROBBINS,

3 TROPILA, VINCENT, BENGTON, HOLMES, DOZIER

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING MOTOR VEHICLE
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22 (2) A motor vehicle owner who prefers to post an
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24 MOTOR VEHICLES in lieu of obtaining a policy of liability
25 insurance may do so. The bond shall guarantee that any loss

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2 death, or damage to property suffered by any person caused
3 by accident and arising out of the operation, maintenance,
4 and use of the motor vehicle sought to be registered shall
5 be paid within 30 days AFTER FINAL JUDGMENT IS ENTERED
6 ESTABLISHING SUCH LIABILITY. The indemnity bond shall
7 guarantee payment in the amount provided for insurance under
8 subsection (1).

9 (3) Any bond given in connection with this section is
10 a continuing instrument and shall cover the period for which
11 the motor vehicle is to be registered and operated. Such
12 bond shall be on a form approved by the commissioner of
13 insurance with a surety company authorized to do business in
14 the state.

15 NEW SECTION. Section 2. Proof of compliance. (1)
16 Before any applicant required to register his motor vehicle
17 may do so the applicant must certify AND DISPLAY TO THE
18 COUNTY TREASURER the--existence of ~~an~~ automobile liability
19 insurance POLICY, A CERTIFICATE OF SELF-INSURANCE, A POSTED
20 INDEMNITY BOND, OR ELIGIBILITY FOR AN EXEMPTION UNDER
21 [SECTION 3] covering the motor vehicle. THE CERTIFICATION
22 SHALL BE on a form prescribed by the division of motor
23 vehicles. The division may immediately cancel the
24 registration and license plates of the vehicle upon
25 notification that the insurance certification was not

1 correctly represented.

2 (2) An owner of a motor vehicle who ceases to maintain
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4 SELF-INSURANCE IS CANCELLED OR WHOSE VEHICLE CEASES TO BE
5 EXEMPT shall immediately surrender the registration and
6 license plates for the vehicle to the COUNTY TREASURER FOR
7 DELIVERY TO THE division and may not operate or permit
8 operation of the vehicle in Montana until insurance has
9 again been furnished as required and the vehicle is again
10 registered and licensed.

11 (3) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO ENGAGE
12 IN THE BUSINESS OF BUYING, SELLING, EXCHANGING, OR ACTING AS
13 A BROKER OF NEW OR USED MOTOR VEHICLES TO DELIVER THE
14 POSSESSION OF A MOTOR VEHICLE TO A BUYER THEREOF WITHOUT
15 FIRST REQUIRING THE BUYER TO FURNISH PROOF THAT HE HAS
16 SATISFIED THE REQUIREMENTS OF THIS SECTION FOR REGISTRATION
17 OF SUCH VEHICLE.

18 NEW SECTION. Section 3. Exempt vehicles. The
19 following vehicles and their drivers are exempt from the
20 provisions of [section 1]:

21 (1) a vehicle owned by the United States government or
22 any state or political subdivision;

23 (2) a vehicle for which cash, securities, or a bond
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7 (5) a vehicle operated upon a highway only for the
8 purpose of crossing such highway from one property to
9 another;

10 (6) a commercial vehicle registered or proportionally
11 registered in this and any other jurisdiction provided that
12 vehicle is covered by a motor vehicle liability insurance
13 policy complying with the laws of another jurisdiction in
14 which it is registered;

15 (7) A MOTORCYCLE:

16 ~~(7)(8)~~ a vehicle moved solely by human or animal
17 power.

18 NEW SECTION. Section 4. Penalties. It is unlawful for
19 any person to operate a motor vehicle upon highways,
20 streets, or roadways of this state without a valid policy of
21 liability insurance in effect in an amount not less than
22 that provided in [section 1] or unless such person has been
23 issued a certificate of self-insurance pursuant to [section
24 2] or has previously posted an indemnity bond with the
25 commissioner of insurance as provided by [section 1] OR IS

1 OPERATING A VEHICLE EXEMPT UNDER [SECTION 3]. A violation of
 2 this--section [SECTIONS 1 THROUGH 4] is a misdemeanor
 3 PUNISHABLE AS PROVIDED IN 61-3-601.

4 Section 5. Section 61-6-123, MCA, is amended to read:

5 "61-6-123. Suspension to continue until judgments paid
 6 and proof given -- maximum period of suspension. Such
 7 ~~license-registration~~ and nonresident's operating privilege
 8 shall remain so suspended and shall not be renewed, nor
 9 shall any such license ~~or-registration~~ be thereafter issued
 10 in the name of such person, including any such person not
 11 previously licensed, unless and until every such judgment is
 12 stayed, satisfied in full or to the extent hereinafter
 13 provided, and until the person gives proof of financial
 14 responsibility subject to the exemptions stated in 61-6-122
 15 and 61-6-125 or 6 years have passed from date judgment was
 16 first entered as provided in 25-9-301, and the person has
 17 complied with [sections 1 and 2]."

18 Section 6. Section 61-6-142, MCA, is amended to read:

19 "61-6-142. Duration of proof -- when proof ~~money or~~
 20 ~~securities~~ may be canceled or returned. (1) ~~The division~~
 21 ~~shall upon request consent to the immediate cancellation of~~
 22 ~~any bond or certificate of insurance; the~~ the division shall
 23 direct and the state treasurer shall return to the person
 24 entitled thereto any money or securities deposited pursuant
 25 to this part as proof of financial responsibility, or the

1 division shall waive the requirement of filing proof under
 2 this part, in any of the following events:

3 (a) at any time after 3 years from the date such proof
 4 was required when during the 3-year period preceding the
 5 request the division has not received record of a conviction
 6 or a forfeiture of bail which would require or permit the
 7 suspension or revocation of the license, registration, or
 8 nonresident's operating privilege of the person by or for
 9 whom such proof was furnished;

10 (b) in the event of the death of the person on whose
 11 behalf such proof was filed or the permanent incapacity of
 12 such person to operate a motor vehicle; or

13 (c) in the event the person who has given proof
 14 surrenders his license and registration to the division.

15 (2) However, the division shall not consent to the
 16 ~~cancellation of any bond or~~ the return of any money or
 17 securities in the event any action for damages upon a
 18 liability covered by such proof is then pending or any
 19 judgment upon any such liability is then unsatisfied, or in
 20 the event the person who has ~~filed such bond or~~ deposited
 21 such money or securities has, within 1 year immediately
 22 preceding such request been involved as an operator or owner
 23 in any motor vehicle accident resulting in injury or damage
 24 to the person or property of others. An affidavit of the
 25 applicant as to the nonexistence of such facts, or that he

1 has been released from all of his liability, or has been
2 finally adjudicated not to be liable for such injury or
3 damage, shall be sufficient evidence thereof in the absence
4 of evidence to the contrary in the records of the division.

5 (3) Whenever any person whose proof has been canceled
6 or returned under subsection (1)(c) of this section applies
7 for a license or registration within a period of 3 years
8 from the date proof was originally required, any such
9 application shall be refused unless the applicant shall
10 reestablish--such--proof--for--the--remainder--of--such--3--year
11 period complies with the insurance or bond requirements
12 under [sections 1 and 2]."

13 SECTION 7. SEVERABILITY. IF A PART OF THIS ACT IS
14 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID
15 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN
16 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT
17 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE
18 INVALID APPLICATIONS.

-End-

1 HOUSE BILL NO. 708

2 INTRODUCED BY PISTORIA, GILLIGAN, H. ROBBINS,
3 TROPILA, VINCENT, BENGTON, HOLMES, DOZIER

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING MOTOR VEHICLE
6 LIABILITY PROTECTION ON MOTOR VEHICLES AS A CONDITION OF
7 OPERATION OF THOSE VEHICLES UPON THE HIGHWAYS OR OTHER
8 PREMISES OPEN TO USE BY THE PUBLIC; AMENDING SECTIONS
9 61-6-123 AND 61-6-142, MCA."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 NEW SECTION. Section 1. Required motor vehicle
13 insurance. (1) Every owner of a motor vehicle which is
14 registered and operated in Montana by the owner or with his
15 permission shall continuously provide insurance against loss
16 resulting from liability imposed by law for bodily injury or
17 death or damage to property suffered by any person caused by
18 maintenance or use of a motor vehicle, as defined in
19 61-1-102, in an amount not less than that required by
20 61-6-103, or a certificate of self-insurance issued in
21 accordance with 61-6-143.

22 (2) A motor vehicle owner who prefers to post an
23 indemnity bond with the ~~director of~~ insurance DIVISION OF
24 MOTOR VEHICLES in lieu of obtaining a policy of liability
25 insurance may do so. The bond shall guarantee that any loss

1 resulting from liability imposed by law for bodily injury,
2 death, or damage to property suffered by any person caused
3 by accident and arising out of the operation, maintenance,
4 and use of the motor vehicle sought to be registered shall
5 be paid within 30 days AFTER FINAL JUDGMENT IS ENTERED
6 ESTABLISHING SUCH LIABILITY. The indemnity bond shall
7 guarantee payment in the amount provided for insurance under
8 subsection (1).

9 (3) Any bond given in connection with this section is
10 a continuing instrument and shall cover the period for which
11 the motor vehicle is to be registered and operated. Such
12 bond shall be on a form approved by the commissioner of
13 insurance with a surety company authorized to do business in
14 the state.

15 NEW SECTION. Section 2. Proof of compliance. (1)
16 Before any applicant required to register his motor vehicle
17 may do so the applicant must certify AND DISPLAY TO THE
18 COUNTY TREASURER ~~the existence of~~ AN automobile liability
19 insurance POLICY, A CERTIFICATE OF SELF-INSURANCE, A POSTED
20 INDEMNITY BOND, OR ELIGIBILITY FOR AN EXEMPTION UNDER
21 [SECTION 3] covering the motor vehicle, THE CERTIFICATION
22 SHALL BE on a form prescribed by the division of motor
23 vehicles. The division may immediately cancel the
24 registration and license plates of the vehicle upon
25 notification that the insurance certification was not

1 correctly represented.

2 (2) An owner of a motor vehicle who ceases to maintain
3 the insurance OR BOND required OR WHOSE CERTIFICATE OF
4 SELF-INSURANCE IS CANCELLED OR WHOSE VEHICLE CEASES TO BE
5 EXEMPT shall immediately surrender the registration and
6 license plates for the vehicle to the COUNTY TREASURER FOR
7 DELIVERY TO THE division and may not operate or permit
8 operation of the vehicle in Montana until insurance has
9 again been furnished as required and the vehicle is again
10 registered and licensed.

11 ~~{3}--IT IS UNLAWFUL FOR ANY PERSON LICENSED TO ENGAGE~~
12 ~~IN THE BUSINESS OF BUYING, SELLING, EXCHANGING, OR ACTING AS~~
13 ~~A BROKER OF NEW OR USED MOTOR VEHICLES TO BELIEVE THE~~
14 ~~POSSESSION OF A MOTOR VEHICLE TO A BUYER THEREOF WITHOUT~~
15 ~~FIRST REQUIRING THE BUYER TO FURNISH PROOF THAT HE HAS~~
16 ~~SATISFIED THE REQUIREMENTS OF THIS SECTION FOR REGISTRATION~~
17 ~~OF SUCH VEHICLE.~~

18 NEW SECTION. Section 3. Exempt vehicles. The
19 following vehicles and their drivers are exempt from the
20 provisions of [section 1]:

21 (1) a vehicle owned by the United States government or
22 any state or political subdivision;

23 (2) a vehicle for which cash, securities, or a bond
24 has been deposited or filed with the division upon such
25 terms and conditions providing the same benefits available

1 under a required motor vehicle liability insurance policy;

2 (3) a vehicle owned by a self-insurer certified as
3 provided in 61-6-143;

4 (4) an implement of husbandry or special mobile
5 equipment that is only incidentally operated on a highway or
6 property open to use by the public;

7 (5) a vehicle operated upon a highway only for the
8 purpose of crossing such highway from one property to
9 another;

10 (6) a commercial vehicle registered or proportionally
11 registered in this and any other jurisdiction provided that
12 vehicle is covered by a motor vehicle liability insurance
13 policy complying with the laws of another jurisdiction in
14 which it is registered;

15 {7} A MOTORCYCLE;

16 ~~{7}~~{8} a vehicle moved solely by human or animal
17 power.

18 NEW SECTION. Section 4. Penalties. It is unlawful for
19 any person to operate a motor vehicle upon highways,
20 streets, or roadways of this state without a valid policy of
21 liability insurance in effect in an amount not less than
22 that provided in [section 1] or unless such person has been
23 issued a certificate of self-insurance pursuant to [section
24 2] or has previously posted an indemnity bond with the
25 commissioner of insurance as provided by [section 1] OR IS

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 11 previously licensed, unless and until every such judgment is
 12 stayed, satisfied in full or to the extent hereinafter
 13 provided, and until the person gives proof of financial
 14 responsibility subject to the exemptions stated in 61-6-122
 15 and 61-6-125 or 6 years have passed from date judgment was
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 22 ~~any bond or certificate of insurance, the~~ the division shall
 23 direct and the state treasurer shall return to the person
 24 entitled thereto any money or securities deposited pursuant
 25 to this part as proof of financial responsibility, or the

1 division shall waive the requirement of filing proof under
 2 this part, in any of the following events:

3 (a) at any time after 3 years from the date such proof
 4 was required when during the 3-year period preceding the
 5 request the division has not received record of a conviction
 6 or a forfeiture of bail which would require or permit the
 7 suspension or revocation of the license, registration, or
 8 nonresident's operating privilege of the person by or for
 9 whom such proof was furnished;

10 (b) in the event of the death of the person on whose
 11 behalf such proof was filed or the permanent incapacity of
 12 such person to operate a motor vehicle; or

13 (c) in the event the person who has given proof
 14 surrenders his license and registration to the division.

15 (2) However, the division shall not consent to the
 16 ~~cancellation of any bond or~~ the return of any money or
 17 securities in the event any action for damages upon a
 18 liability covered by such proof is then pending or any
 19 judgment upon any such liability is then unsatisfied, or in
 20 the event the person who has ~~filed such bond or~~ deposited
 21 such money or securities has, within 1 year immediately
 22 preceding such request been involved as an operator or owner
 23 in any motor vehicle accident resulting in injury or damage
 24 to the person or property of others. An affidavit of the
 25 applicant as to the nonexistence of such facts, or that he

March 26, 1979

SENATE COMMITTEE OF THE WHOLE

That House Bill No. 708, third reading bill, be amended as follows:

1. Page 2, line 5.

Following: "days"

Insert: "after final judgment is entered establishing such liability"

2. Page 2, line 16.

Following: "certify"

Insert: "and display"

3. Page 2, line 17.

Following: line 16

Strike: "The existence of"

Insert: "an"

Following: "insurance"

Insert: "policy"

4. Page 2, line 18.

Following: "OR"

Insert: "eligibility for"

5. Page 2, line 19.

Following: "vehicle"

Insert: ", The certification shall be"

6. Page 3, line 3.

Following: "to the"

Insert: "county treasurer for delivery to the"

7. Page 3, line 7.

Following: line 6

Insert: "(3) It is unlawful for any person licensed to engage in the business of buying, selling, exchanging, or acting as a broker of new or used motor vehicles to deliver the possession of a motor vehicle to a buyer thereof without first requiring the buyer to furnish proof that he has satisfied the requirements of this section for registration of such vehicle."

8. Page 4, line 4.

Following: line 3

Insert: "(7) a motorcycle;"

Renumber: subsequent subsection

9. Page 4, line 14.

Following: line 13

Strike: "this section"

Insert: "[sections 1 through 4]"

Following: "misdemeanor"

Insert: "punishable as provided in 61-3-601"

10. Page 6, following line 23.

Insert: "Section 7. Severability Clause. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."