

House BILL NO. 509

Justin
W. Ryan

1
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6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATUTORY LIEN FOR A MOTOR VEHICLE
7 OWNER OR THE INSURER OF A MOTOR VEHICLE OWNER WHO HAS THE REQUIRED MOTOR VEHICLE
8 LIABILITY COVERAGE AND WHO SUFFERS A PROPERTY DAMAGE LOSS AS A RESULT OF AN ACCIDENT
9 WITH A PERSON THAT DOES NOT HAVE THE REQUIRED COVERAGE IF THAT PERSON IS CITED FOR A
10 TRAFFIC VIOLATION IN ADDITION TO THE CITATION FOR LACK OF COVERAGE; PROVIDING FOR FILING
11 THE LIEN; PROVIDING A STATUTE OF LIMITATIONS FOR FORECLOSING ON THE LIEN; AND PROVIDING
12 FOR PERSONS WHO MAY BE PARTIES TO AN ACTION ON THE LIEN."

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

14 NEW SECTION. **Section 1. Statutory lien.** (1) A motor vehicle owner or the insurer of a motor
15 vehicle owner who has the required liability insurance or indemnity bond for a motor vehicle that is
16 damaged as a result of an accident with a person who does not have the required motor vehicle liability
17 insurance or indemnity bond has a statutory lien against all real and personal property of the person without
18 the required liability insurance or indemnity bond if that person receives a citation for a traffic violation in
19 addition to a citation for not having the required coverage.

20 (2) (a) A motor vehicle owner entitled to a lien, as provided in subsection (1), has a lien for the
21 amount of the total out-of-pocket losses for property damage suffered by the motor vehicle owner as a
22 result of the accident.

23 (b) An insurer entitled to a lien, as provided in subsection (1), has a lien for the amount paid out
24 for property damage by the insurer as a result of the accident.

25 (3) A motor vehicle owner or the insurer of a motor vehicle owner who has the required liability
26 insurance or indemnity bond is not entitled to a lien under this section if the motor vehicle owner receives
27 a citation for a traffic violation in conjunction with the accident.

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29 NEW SECTION. **Section 2. Filing and content of lien notice.** The notice for a lien provided for in
30 [section 1] must be filed within 6 months of the date of the accident and may be filed in substantially this

1 form in any county in which real or personal property is located or that is the residence of the person
2 against whom the lien is claimed:

3 , Claimant, vs.

4 I, (insert name and address of person claiming lien), claim a lien pursuant to the provisions of
5 [section 1].

6 I claim this lien against all real and personal property of (insert name and address of person
7 against whom the lien is being claimed).

8 On the day of, I and (name of person against whom the lien is being claimed) were
9 involved in a motor vehicle accident in which I had the required liability coverage and (name of person
10 against whom lien is being claimed) did not have the required liability coverage and in addition was cited
11 for the following traffic violation

12 As a result of the accident, I have suffered property damage in the amount of \$..... of which the
13 amount of \$.... remains unpaid and is now due and owing.

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15 NEW SECTION. Section 3. Duties of county clerk. The county clerk shall file and record any lien
16 claim presented under the provisions of [sections 1 and 2].

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18 NEW SECTION. Section 4. Parties. Any person with an interest in the controversy or in property
19 charged with a lien created pursuant to the provisions of [sections 1 and 2] may be a party to any action
20 to foreclose upon a lien created pursuant to [sections 1 and 2].

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22 NEW SECTION. Section 5. Limitation of actions. All actions brought to enforce a lien created
23 pursuant to [sections 1 and 2] must be commenced within 2 years from the date of the filing of the lien.

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25 NEW SECTION. Section 6. Codification instruction. [Sections 1 through 5] are intended to be
26 codified as an integral part of Title 61, chapter 6, part 3, and the provisions of Title 61, chapter 6, part 3,
27 apply to [sections 1 through 5].

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