

HOUSE BILL NO. 62

INTRODUCED BY B. GRUBBS

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MANDATORY AUTOMOBILE INSURANCE REQUIREMENTS; REVISING INSURANCE BOND FORM FILING REQUIREMENTS; REVISING EXEMPT VEHICLE REQUIREMENTS; AMENDING SECTIONS 61-6-301 AND 61-6-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 61-6-301, MCA, is amended to read:

"61-6-301. Required motor vehicle insurance -- family member exclusion. (1) (a) Except as provided in subsection (1)(b), an owner of a motor vehicle that is registered and operated in Montana by the owner or with the owner's 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 in an amount not less than that required by 61-6-103, or a certificate of self-insurance issued in accordance with 61-6-143.

(b) Notwithstanding the mandatory motor vehicle liability insurance protection provided for in subsection (1)(a), nothing in this part may be construed to prohibit the exclusion from insurance coverage of a named family member in a motor vehicle liability insurance policy.

(2) A motor vehicle owner who prefers to post an indemnity bond with the department in lieu of obtaining a policy of liability insurance may do so. The bond must 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 must be paid within 30 days after final judgment is entered establishing the liability. The indemnity bond must 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 must cover the period for which the motor vehicle is to be registered and operated. The bond ~~must be on a form approved by the commissioner of insurance and~~ must be with a surety company authorized to do business in the state.

1 (4) It is unlawful for a person to operate a motor vehicle upon ways of this state open to the public as
 2 defined in 61-8-101 without a valid policy of liability insurance in effect in an amount not less than that required
 3 by 61-6-103 unless the person has been issued a certificate of self-insurance under 61-6-143, has posted an
 4 indemnity bond with the department as provided in this section, or is operating a vehicle exempt under 61-6-303."
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6 **Section 2.** Section 61-6-303, MCA, is amended to read:

7 **"61-6-303. Exempt vehicles.** The following vehicles and their drivers are exempt from the provisions
 8 of 61-6-301:

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

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

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

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

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

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

21 (7) a motorcycle or quadricycle;

22 (8) a vehicle moved solely by human or animal power;

23 ~~_____ (9) a vehicle owned by a nonresident if it is currently registered in the owner's resident jurisdiction and~~
 24 ~~the owner is in compliance with the motor vehicle liability insurance requirements, if any, of that jurisdiction."~~

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 26 **NEW SECTION. Section 3. Saving clause.** [This act] does not affect rights and duties that matured,
 27 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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 29 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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