

1 H.578

2 Introduced by Representatives LaLonde of South Burlington and Grad of

3 Moretown

4 Referred to Committee on

5 Date:

6 Subject: Motor vehicles; operator's license; privilege to operate; suspension;

7 Judicial Bureau; license or privilege to operate termination and

8 reinstatement fees; proof of financial responsibility; insurance; SR-22

9 certificate

10 Statement of purpose of bill as introduced: This bill proposes to:

11 (1) Eliminate the Judicial Bureau's authority to suspend an operator's

12 license or privilege to operate for the nonpayment of a judgment on a traffic

13 violation resulting in the imposition of points;

14 (2) Authorize Judicial Bureau hearing officers to waive the operator's

15 license or privilege to operate reinstatement fee;

16 (3) Waive the reinstatement fee for an operator's license or privilege to

17 operate previously suspended for the nonpayment of a judgment on a traffic

18 violation resulting in the imposition of points;

19 (4) Require a report on the elimination of operator's license or privilege to

20 operate termination and reinstatement fees; and

21 (5) Limit the instances when proof of financial responsibility is required.

~~An act relating to operator's license and privilege to operate suspensions and proof of financial responsibility.~~ *An act relating to proof of financial responsibility*

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~*** Suspension for Nonpayment ***~~

3 Sec. 1. 4 V.S.A. § 1109(b) is amended to read:

4 (b) ~~Late fees; suspensions for nonpayment of certain traffic violation~~
5 ~~judgments~~ payment plans.

6 (1) A Judicial Bureau judgment shall provide notice that a \$30.00 fee
7 shall be assessed for failure to pay within 30 days. If the defendant fails to pay
8 the amount due within 30 days, the fee shall be added to the judgment amount
9 and deposited in the Court Technology Special Fund established pursuant to
10 section 27 of this title.

11 (2)(A) In the case of a judgment on a traffic violation for which the
12 imposition of points against the person's driving record is authorized by law,
13 the judgment shall contain a notice that ~~failure to pay or otherwise satisfy the~~
14 ~~amount due within 30 days of the notice will result in suspension of the~~
15 ~~person's operator's license or privilege to operate, and that payment plan~~
16 ~~options are available. If the defendant fails to pay the amount due within 30~~
17 ~~days of the notice, or by a later date as determined by a Judicial Bureau clerk~~
18 ~~or hearing officer, and the case is not pending on appeal, the Judicial Bureau~~
19 ~~shall provide electronic notice thereof to the Commissioner of Motor Vehicles.~~

20 ~~After 20 days from the date of receiving the electronic notice, the~~

1 ~~Commissioner shall suspend the person's operator's license or privilege to~~
2 ~~operate for a period of 30 days or until the amount due is satisfied, whichever~~
3 ~~is earlier.~~

4 (B) At minimum, the Judicial Bureau shall offer a payment plan
5 option that allows a person to avoid a suspension of his or her license or
6 privilege to operate by paying no pay not more than \$30.00 per traffic
7 violation judgment per month, and not to exceed \$100.00 per month if the
8 person has four or more outstanding judgments.

9 * * * Waiver of Reinstatement Fee * * *

10 Sec. 2. 4 V.S.A. § 1109(c)(4) is amended to read:

11 (4)(A) Hearing. The hearing shall be conducted in a summary manner.
12 The hearing officer shall examine the defendant and any other witnesses and
13 may require the defendant to produce documents relevant to the defendant's
14 ability to pay the amount due. The State or municipality shall not be a party
15 except with the permission of the hearing officer. The defendant may be
16 represented by counsel at the defendant's own expense.

17 (B) Traffic violations; reduction of amount due. When the judgment
18 is based upon a traffic violation, the hearing officer may waive the
19 reinstatement fee required pursuant to 23 V.S.A. § 675 or reduce the amount
20 due on the basis of the defendant's driving history, ability to pay, or service to
21 ~~the community, the collateral consequences of the violation, or the interests of~~

1 ~~justice. The hearing officer's decision on a motion to reduce the amount due~~
2 shall not be subject to review or appeal except in the case of a violation of
3 rights guaranteed under the Vermont or U.S. Constitution.

4 Sec. 3. WAIVER OF REINSTATEMENT FEE

5 (a) Notwithstanding 23 V.S.A. § 675(a), the Commissioner shall waive the
6 \$80.00 reinstatement fee owed for an operator's license or privilege to operate
7 suspended pursuant to 4 V.S.A. § 1109(b)(2)(A) prior to July 1, 2020.

8 (b) This subsection shall not affect the amount due for traffic violations or
9 any pending suspensions of an individual's license or privilege to operate other
10 than those specifically described in subsection (a) of this section.

11 * * * Report on Eliminating Termination and Reinstatement Fee * * *

12 Sec. 4. REPORT ON ELIMINATING TERMINATION AND
13 REINSTATEMENT FEE

14 The Department of Motor Vehicles, in consultation with the Vermont
15 Judicial Bureau and the Joint Fiscal Office, shall complete a study and submit
16 a written report to the House and Senate Committees on Judiciary and the
17 House and Senate Committees on Transportation on or before December 15,
18 2020 concerning eliminating the operator's license or privilege to operate
19 termination and reinstatement fees required pursuant to 23 V.S.A. § 675(a).

20 ~~The report shall, at a minimum, address.~~

1 ~~(1) what surcharge would need to be assessed on all tickets for traffic~~
2 ~~violations, as defined in 23 V.S.A. § 2302, to compensate for the loss of~~
3 ~~revenue from the license or privilege to operate termination fee;~~

4 ~~(2) what surcharge would need to be assessed on all tickets for traffic~~
5 ~~violations, as defined in 23 V.S.A. § 2302, to compensate for the loss of~~
6 ~~revenue from the license or privilege to operate reinstatement fee;~~

7 ~~(3) what percentage of reinstatement fees are paid;~~

8 ~~(4) any anticipated administrative benefits associated with eliminating~~
9 ~~the termination and reinstatement fees and instead utilizing a surcharge; and~~

10 ~~(5) any anticipated administrative difficulties associated with~~
11 ~~eliminating the termination and reinstatement fees and instead utilizing a~~
12 ~~surcharge.~~

13 * * * Proof of Financial Responsibility * * *

14 Sec. 5. 23 V.S.A. § 801 is amended to read:

15 § 801. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED

16 (a) The Commissioner shall require proof of financial responsibility to
17 satisfy any claim for damages, by reason of personal injury to or the death of
18 any person, of at least \$25,000.00 for one person and \$50,000.00 for two or
19 more persons killed or injured and \$10,000.00 for damages to property in any
20 one accident, as follows:

21 ~~(1) From a person who is convicted of any of the following violations of~~

1 ~~this title:~~

2 (A) Death resulting from:

3 (i) careless and negligent operation of a motor vehicle; or

4 (ii) reckless driving of a motor vehicle.

5 (B) Any violation of section 1201 of this title or for any suspension
6 pursuant to section 1205 of this title.

7 (C) Failing to immediately stop and render such assistance as may be
8 reasonably necessary following an accident resulting in injury to any person or
9 property, other than the vehicle then under his or her control.

10 (D) Operating, taking, using, or removing a motor vehicle without
11 the consent of the owner in violation of section 1094 of this title.

12 (E) Operating a motor vehicle after suspension, revocation, or refusal
13 of a license, in violation of section 674 of this title.

14 (F) ~~Operating without financial responsibility.~~ [Repealed.]

15 (G) ~~Any moving violation as defined in section 4 of this title if the~~
16 ~~person has five points assessed against the person's license at the time the~~
17 ~~moving violation occurs. At the time a ticket or a citation for a moving~~
18 ~~violation is issued, the law enforcement officer shall give the defendant an~~
19 ~~insurance verification certificate, which shall not be an SR-22 certificate. The~~
20 ~~defendant shall complete the certificate and mail or deliver it to the~~

21 ~~Commissioner within 21 days of being issued the ticket or citation. The~~

1 ~~Commissioner shall prescribe the form of the insurance verification certificate~~
2 ~~and administer the insurance verification process by adopting rules and may,~~
3 ~~pursuant to 3 V.S.A. chapter 25, adopt rules to administer the insurance~~
4 ~~verification process. [Repealed.]~~

5 (H) The provisions of subdivisions (a)(1)(A), (C), (D), and (E), ~~and~~
6 ~~(G)~~ of this section shall not apply to an operator furnishing the Commissioner
7 with satisfactory proof that a standard provisions automobile liability
8 insurance policy, issued by an insurance company authorized to transact
9 business in this State insuring the operator against public liability and property
10 damage, in the amounts required under this section with respect to proof of
11 financial responsibility, was in effect at the time of the violation. Nor shall
12 these provisions apply if the operator was a nonresident, holding a valid
13 license issued by the state of his or her residence, at the time of the violation,
14 and satisfactory proof, in the form of a certificate issued by an insurance
15 company authorized to transact business in the state of his or her residence,
16 and accompanied by a power of attorney authorizing the Commissioner to
17 accept service on its behalf, of notice or process in any action arising out of the
18 violation, certifying that insurance covering the legal liability of the operator
19 to satisfy any claim or claims for damage to person or property, in an amount
20 equal to the amounts required under this section with respect to proof of
21 ~~financial responsibility was in effect at the time of the violation~~

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2 Sec. 6. WAIVER OF PROOF OF FINANCIAL RESPONSIBILITY

3 The Commissioner shall relieve an operator from the obligation to furnish
4 proof of financial responsibility required pursuant to 23 V.S.A. § 801(a)(1)(F)
5 and (G) on July 1, 2020. This provision shall not be construed to relieve an
6 operator of his or her responsibility to comply with the mandatory insurance
7 requirement set forth in 23 V.S.A. § 800.

8 * * * Effective Dates * * *

9 Sec. 7. EFFECTIVE DATES

10 (a) Secs. 1 (suspension for nonpayment) and 5 (proof of financial
11 responsibility required) shall take effect on July 1, 2020.

12 ~~(b) All other sections shall take effect on passage.~~

~~* * * Waiver of Reinstatement Fee * * *~~

~~Sec. 1. 23 V.S.A. § 1100(c)(1) is amended to read:~~

~~(1)(A) *Hearing. The hearing shall be conducted in a summary manner. The hearing officer shall examine the defendant and any other witnesses and may require the defendant to produce documents relevant to the defendant's ability to pay the amount due. The State or municipality shall not be a party except with the permission of the hearing officer. The defendant may be represented by counsel at the defendant's own expense.*~~

~~(B) *Traffic violations; reduction of amount due. When the judgment is based upon a traffic violation, the hearing officer may waive the reinstatement fee required pursuant to 23 V.S.A. § 675 or reduce the amount due on the basis of the defendant's driving history, ability to pay, or service to the community; the collateral consequences of the violation; or the interests of justice. The hearing officer's decision on a motion to reduce the amount due shall not be subject to review or appeal except in the case of a violation of rights guaranteed under the Vermont or U.S. Constitution.*~~

Sec. 1. [Deleted.]

~~*** Proof of Financial Responsibility ***~~

Sec. 2. 23 V.S.A. § 801 is amended to read:

§ 801. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED

(a) The Commissioner shall require proof of financial responsibility to satisfy any claim for damages, by reason of personal injury to or the death of any person, of at least \$25,000.00 for one person and \$50,000.00 for two or more persons killed or injured and \$10,000.00 for damages to property in any one accident, as follows:

(1) From a person who is convicted of any of the following violations of this title:

(A) Death resulting from:

- (i) careless and negligent operation of a motor vehicle; or*
- (ii) reckless driving of a motor vehicle.*

(B) Any violation of section 1201 of this title or for any suspension pursuant to section 1205 of this title.

(C) Failing to immediately stop and render such assistance as may be reasonably necessary following an accident resulting in injury to any person or property, other than the vehicle then under his or her control.

(D) Operating, taking, using, or removing a motor vehicle without the consent of the owner in violation of section 1094 of this title.

(E) Operating a motor vehicle after suspension, revocation, or refusal of a license, in violation of section 674 of this title.

(F) Operating without financial responsibility. [Repealed.]

~~*(G) Any moving violation as defined in section 4 of this title if the person has five points assessed against the person's license at the time the moving violation occurs. At the time a ticket or a citation for a moving violation is issued, the law enforcement officer shall give the defendant an insurance verification certificate, which shall not be an SR-22 certificate. The defendant shall complete the certificate and mail or deliver it to the Commissioner within 21 days of being issued the ticket or citation. The Commissioner shall prescribe the form of the insurance verification certificate and administer the insurance verification process by adopting rules and may, pursuant to 3 V.S.A. chapter 25, adopt rules to administer the insurance verification process. [Repealed.]*~~

(H) The provisions of subdivisions (a)(1)(A), (C), (D), and (E), ~~and~~ (G) of this section shall not apply to an operator furnishing the Commissioner with satisfactory proof that a standard provisions automobile liability insurance policy, issued by an insurance company authorized to transact business in this State insuring the operator against public liability and property damage, in the amounts required under this section with respect to proof of financial responsibility, was in effect at the time of the violation. Nor shall these provisions apply if the operator was a nonresident, holding a valid license issued by the state of his or her residence, at the time of the violation, and satisfactory proof, in the form of a certificate issued by an insurance company authorized to transact business in the state of his or her residence, and accompanied by a power of attorney authorizing the Commissioner to accept service on its behalf, of notice or process in any action arising out of the violation, certifying that insurance covering the legal liability of the operator to satisfy any claim or claims for damage to person or property, in an amount equal to the amounts required under this section with respect to proof of financial responsibility was in effect at the time of the violation.

** * **

Sec. 3. 23 V.S.A. § 809 is amended to read:

§ 809. WAIVER OF PROOF OF FINANCIAL RESPONSIBILITY

(a) The Commissioner shall relieve an operator from the obligation to furnish proof of financial responsibility after ~~three years~~ one year from the accident, conviction, or judgment giving rise to the obligation. In the event that a suspension or revocation resulted from the conviction giving rise to the obligation, an operator shall not be relieved of the obligation to furnish proof of financial responsibility until ~~three years~~ one year after his or her reinstatement eligibility date.

(b) Notwithstanding subsection (a) of this section, the Commissioner shall not relieve an operator from the obligation to furnish proof of financial responsibility until three years after a conviction of careless and negligent operation of a motor vehicle resulting in death, conviction of reckless driving of a motor vehicle resulting in death, or second and subsequent conviction of a violation of section 1201 of this title. In the event that a suspension resulted from the conviction giving rise to the obligation, an operator shall not be relieved of the obligation to furnish proof of financial responsibility until three years after his or her reinstatement eligibility date.

(c) This ~~provision~~ section shall not be construed to relieve an operator of his or her responsibility to comply with the mandatory insurance requirement set forth in section 800 of this title.

Sec. 4. WAIVER OF PROOF OF FINANCIAL RESPONSIBILITY

(a) The Commissioner of Motor Vehicles shall, as soon as practicable but not later than ~~January 1, 2021~~ April 1, 2021, relieve operators from the obligation to furnish proof of financial responsibility required pursuant to 23 V.S.A. § 801(a)(1) as amended by this act in accordance with 23 V.S.A. § 809 as amended by this act as applicable.

(b) If an operator is not required to furnish proof of financial responsibility pursuant to 23 V.S.A. § 801(a)(1) as amended by this act, then the Commissioner shall, as soon as practicable but not later than ~~January 1, 2021~~ April 1, 2021, relieve the operator from the obligation to furnish proof of financial responsibility.

(c) This section shall not be construed to relieve an operator of his or her responsibility to comply with the mandatory insurance requirement set forth in 23 V.S.A. § 800.

Sec. 5. EFFECTIVE DATE

This act shall take effect on ~~July 1, 2020~~ January 1, 2021.