

**No. 170. An act relating to proof of financial responsibility.**

(H.578)

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

Sec. 1. [Deleted.]

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 [Repealed.]~~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 [Repealed.]~~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.

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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 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 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 January 1, 2021.

Date Governor signed bill: October 8, 2020