

# MAINE STATE LEGISLATURE

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L.D. 2178

(Filing No. S-588)

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STATE OF MAINE  
SENATE  
114TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 849, L.D. 2178, Bill, "An Act to Amend the Financial Responsibility Law Pertaining to Motor Vehicles"

Amend the bill by striking out all of the title and inserting in its place the following:

**'An Act to Extend the Sunset and to Evaluate the Motor Vehicle Insurance Laws'**

Further amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

**'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and**

**Whereas, the present law will sunset January 1, 1991; and**

**Whereas, the motor vehicle insurance laws of the State are of great concern to the citizens of Maine; and**

**Whereas, there are a number of unresolved issues as to the future of these laws; and**

**Whereas, time is needed to review these issues and to evaluate various aspects of motor vehicle insurance laws; and**

**Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,**

B. D. S.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 1 MRSA §2501, sub-§29** is enacted to read:

6 29. Title 29.

8 A. Title 29, section 780, is repealed January 1, 1992.

10 **Sec. 2. 29 MRSA §779**, as enacted by PL 1987, c. 341, §§3 and  
12 7, is amended to read:

14 **§779. Purpose**

16 The Legislature finds that the economic damage inflicted by  
18 uninsured motorists goes uncompensated in many cases due to the  
20 failure of motorists to maintain liability insurance or other  
22 means to insure just compensation for victims of accidents. The  
24 present law condones the financial irresponsibility of these  
26 motorists until they have already inflicted injuries or damage  
for which they may be unable to provide compensation. The  
purpose of this subchapter is to reduce the likelihood that  
financially irresponsible motorists will operate on the State's  
highways by instituting a requirement that motorists provide  
evidence of financial responsibility pursuant to this  
subchapter. This section is repealed on January 1, 1991 1992.

28 **Sec. 3. 29 MRSA §780, sub-§8**, as enacted by PL 1987, c. 341,  
30 §§3 and 7, is amended to read:

32 **8. Sunset provision.** This section is repealed on January  
34 1, 1991 1992. The legislative committee having jurisdiction over  
the review provided in Title 1, section 2502, is the joint  
standing committee of the Legislature having jurisdiction over  
insurance matters.

36 **Emergency clause.** In view of the emergency cited in the  
38 preamble, this Act takes effect when approved.

40 **FISCAL NOTE**

42 The cost of preparing and submitting the report of the joint  
44 standing committee on banking and insurance to the 115th  
Legislature, as authorized in this amendment, can be absorbed  
46 within the Legislature's budgeted resources. The committee has  
indicated that lacking any supplemental funding, they would meet  
while the Legislature is in session to defray reporting costs.

48 The committee intends to request authorization from the  
50 Legislative Council to study the motor vehicle insurance laws in

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COMMITTEE AMENDMENT "A" to S.P. 849, L.D. 2178

2 a more detailed way following the adjournment of the 114th  
Legislature's Second Regular Session. The council will have the  
4 option of funding this request from currently budgeted  
resources. If the council elects not to authorize this study,  
6 the committee would conduct a less rigorous review and would be  
under the constraints outlined in the paragraph above.'

8 **STATEMENT OF FACT**

10 This amendment extends the sunset date of the present motor  
vehicle insurance laws from January 1, 1991, to January 1, 1992,  
12 in order to allow more time to study the issues.

14 Prior to 1988, Maine law did not require motor vehicle  
liability insurance except when persons were involved in  
16 reportable accidents or convicted of moving violations. That  
type of law is commonly described as a "financial responsibility  
18 law."

20 On January 1, 1988, a more stringent law took effect,  
requiring every operator or owner of a motor vehicle, trailer or  
22 semitrailer to maintain motor vehicle liability insurance. If an  
operator involved in a reportable accident or stopped for a  
24 moving violation failed to produce evidence of insurance, the  
operator was in violation, but if the operator purchased  
26 insurance at least 24 hours before the court appearance the  
charge of failure to produce insurance was dismissed.

28 Finally, in 1989 the law was amended to delete the grace  
30 period for purchase of insurance and required that the insurance  
be in effect at the time of the accident or moving violation.  
32 The present law is one of those commonly described as a "required  
insurance law."

34 This amendment also amends the Maine Revised Statutes, Title  
36 1, chapter 29 of to require the Joint Standing Committee on  
Banking and Insurance to report on the advisability of retaining  
38 or modifying the present motor vehicle insurance laws to the  
First Regular Session of the 115th Legislature, within 30  
40 legislative days after its convening. That report must evaluate  
the past effectiveness of the law, evaluate the future need for  
42 the law, examine alternative methods of attaining the purpose of  
the law, and estimate the cost of retaining the provision. The  
44 committee plans to request authorization from the Legislative  
Council for a legislative study during the interim to examine  
46 these points in detail.

48 This amendment also adds a fiscal note.

Reported by Senator Theriault for the Committee on Banking  
and Insurance. Reproduced and Distributed Pursuant to Senate  
Rule 12.