



## 2009 SENATE BILL 486

January 25, 2010 – Introduced by LAW REVISION COMMITTEE. Referred to Committee on Transportation, Tourism, Forestry, and Natural Resources.

1     **AN ACT to amend** 344.14 (2) (h) and 344.18 (1) (b) of the statutes; **relating to:**  
2             the liability release exception to the requirement that proof of financial  
3             responsibility be provided after a motor vehicle accident (suggested as remedial  
4             legislation by the Department of Transportation).

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### *Analysis by the Legislative Reference Bureau*

Under current law, if a motor vehicle accident results in injury, death, or property damage of \$1,000 or more, the Department of Transportation (DOT) is required to notify the operator and owner of the vehicle involved in the accident that the person must deposit with DOT security for the accident in an amount specified by DOT, which DOT has determined is sufficient to satisfy any judgment for damages resulting from the accident. Unless an exception applies, if a person fails to timely deposit security after this notice is given, DOT must suspend the person's operating privilege if the person was the vehicle operator and suspend all vehicle registrations of the person if the person was the vehicle owner, and DOT may also order certain vehicles impounded. Under one exception, security is not required to be deposited if the person can provide proof of financial responsibility (including that an applicable motor vehicle liability insurance policy or bond was in effect at the time of the accident providing certain minimum amounts of coverage). Under another exception, security is not required to be deposited if, prior to suspension of the person's operating privilege or vehicle registration, satisfactory evidence is filed with DOT that the person has been released from liability, has been adjudicated as not liable, or has executed an agreement to pay an agreed amount of damages to settle

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all claims. DOT may accept a liability release executed by a parent as natural guardian on behalf of a minor child only if the total damages do not exceed \$5,000 and a doctor certifies that the minor received no permanent injury.

Under this bill, DOT may, without limitation, accept a liability release executed by a parent as natural guardian or by a guardian ad litem on behalf of a minor child.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Transportation and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1           **SECTION 1.** 344.14 (2) (h) of the statutes is amended to read:

2           344.14 (2) (h) To any person who would otherwise have to deposit security if,  
3 prior to the date the secretary would otherwise suspend the person's operating  
4 privilege and registrations under sub. (1) or order the impoundment of the motor  
5 vehicle under sub. (1m), there is filed with the secretary evidence satisfactory to the  
6 secretary that the person has been released from liability or has been finally  
7 adjudicated not to be liable or has executed a duly acknowledged written agreement  
8 providing for the payment of an agreed amount in installments with respect to all  
9 claims for injuries or damage resulting from the accident. The secretary may accept  
10 a release from liability executed by a parent as natural guardian or by a guardian  
11 ad litem on behalf of a minor child with respect to property damage or personal  
12 injuries sustained by the minor, ~~provided that the total damages, including the cost~~  
13 ~~of medical care, do not exceed \$5,000 and that, in case of personal injury, the doctor's~~  
14 ~~certificate of injury filed with the department certifies that the minor received no~~  
15 ~~permanent injury.~~

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NOTE: This statute, s. 341.14 (2) (h), allows the Department of Transportation to accept a release of liability executed by a parent as natural guardian on behalf of a minor child with respect to property damage or personal injuries sustained by the minor, provided that the total damages, including the cost of medical care, do not exceed \$5,000 and that, in case of personal injury, the doctor's certificate of injury filed with the department certifies that the minor received no permanent injury. This must be done before the department can accept the settlement and allow the uninsured at-fault party to reinstate their driving and vehicle registration privileges. This SECTION amends the statute to remove the \$5,000 limits and allows the department to accept the release from a parent as natural guardian, or a guardian ad litem.

1           **SECTION 2.** 344.18 (1) (b) of the statutes is amended to read:

2           344.18 (1) (b) There is filed with the secretary evidence satisfactory to the  
3           secretary that the person whose operating privilege or registration was suspended  
4           or revoked has been released from liability or has been finally adjudicated not to be  
5           liable. The secretary may accept a release executed by a parent on behalf of a minor  
6           child only if the release satisfies the requirements specified in as provided under s.  
7           344.14 (2) (h).

8           **SECTION 3. Initial applicability.**

9           (1) This act first applies with respect to accidents occurring on the effective date  
10           of this subsection.

11   (END)