

Bill Summary

The Motor Vehicles (Amendment) Bill, 2007

- The Motor Vehicles (Amendment) Bill, 2007 was introduced in the Rajya Sabha on May 15, 2007 and was referred to the Standing Committee on Transport, Tourism and Culture (Chairperson: Sitaram Yechury). The Committee is scheduled to submit its report within three months.
- The Bill amends the Motor Vehicles Act, 1988, to
 - (i) enhance specific pecuniary penalties for offences under the Principal Act (listed in Appendix below);
 - (ii) provide for civil penalty in addition to the existing criminal liability under the Indian Penal code in the case of rash and negligent driving;
 - (iii) the creation of Solatium Fund which is to be used to compensate hit-and-run accident victims;
 - (iv) confer power to state governments to create inspection auditors by notification;
 - (v) require the transport authorities to decide appeals within 45 days in case of refusal or revocation of driving licence, or record, in writing, the reasons if the case takes longer than that;
 - (vi) empower the authority to suspend the driving licence on the spot for a period not exceeding three months if the authority is satisfied, after breath analyzer or any other test, that the driver is under the influence of alcohol;
 - (vii) empower the central government to permit the plying of vehicles with gross vehicle weight in excess of those specified in the rules subject to conditions specified by the central government;
 - (viii) empower the central government to make rules for the design and materials used in constructing the bodies for goods carriage and medium or heavy passenger vehicles;
 - (ix) omit Chapter X of the Principal Act relating to “liability without fault in certain cases”. Chapter X allows for a claim to be made against the owner of a vehicle involved in an accident which has caused death or permanent disablement. The claimant is not required to prove that the incident was due to any wrongful act, neglect or default of the owner of the vehicle. This type of claim is proposed to be compensated from the Solatium Fund;
 - (x) replace the Second Schedule in the Principal Act for a new one indicating the amount that the victim or his legal heirs shall be paid if he holds a valid insurance policy. The central government may revise the Schedule keeping in view the cost of living. Any compensation claim other than within the structured amount shall be heard by the Motor Accidents Claims Tribunal and shall be disposed of within two years of filing;
 - (xi) allow for a compromise settlement to be reached between claimant and insurer as long as it is not voidable under the Indian Contract Act, 1872; and
 - (xii) allow for the interim payment of compensation, up to Rs 50,000 in case of loss of limb or grievous hurt, and up to Rs 1 lakh in case of death or total disablement.
- Solatium Fund
 - The Solatium Fund shall be established by the central government.
 - It shall be used to pay compensation in the case of persons who have been killed, or have sustained grievous hurt in hit-and-run motor accidents; Rs 50,000 in case of death, Rs 25,000 in case of grievous harm.
 - The Insurance Regulatory and Development Authority, or any other agency specified by the central government, shall manage the Fund.
 - The central government shall notify how much the insurance companies shall contribute to the Fund. It shall also specify the authority in which the Fund shall be vested, and how it shall be administered.

Appendix: Fines under Motor Vehicles (Amendment) Bill, 2007 and Principal Act

Offence	Fine under Motor Vehicles Act, 1988	Fine under Motor Vehicles (Amendment) Bill, 2007
Offences where specific penalties are unspecified.	Up to Rs 100 for first offence, up to Rs 300 for subsequent offences	Rs 500 for first offence, Rs 1,000 to Rs 5,000 for subsequent offence.
Allowing unauthorised persons to drive vehicles.	Up to Rs 1,000.	Rs 1,000 to Rs 2,000.
Driving without a license, or being underage and driving.	Up to Rs 500.	Rs 500 to Rs 2,000.
Exceeding the speed limit.	Up to Rs 400 for first offence, up to Rs 1,000 for subsequent offence(s).	Rs 500 (minimum) for first offence, Rs 2,000 to Rs 5,000 for subsequent offence(s).
Making an employee, or another person, exceed the speed limit.	Up to Rs 400 for first offence, up to Rs 1,000 for subsequent offence(s).	Rs 500 (minimum) for first offence, Rs 1,500 to Rs 3,000 for subsequent offence(s).
Driving dangerously.	Up to Rs 1,000 for first offence, up to Rs 2,000 for subsequent offence(s) committed within 3 years	Rs 1,000 for first offence, Rs 2,000 to Rs 5,000 for subsequent offence(s) committed within 3 years
Driving under the influence of alcohol or drugs.	Up to Rs 2,000 for first offence, up to Rs 3,000 for subsequent offence(s) committed within 3 years	Rs 2,000 for first offence, Rs 3,000 for subsequent offence(s) committed within 3 years
Rash & negligent driving.	(New offence).	Up to Rs 5,000 (paid into Solatium Fund) in addition to punishment under IPC.
Driving when mentally or physically unfit.	Up to Rs 200 for first offence, up to Rs 500 for subsequent offence(s).	Rs 500 for first offence, Rs 1,000 for subsequent offence(s).
Driving an unregistered vehicle.	Rs 2,000 to Rs 5,000 for first offence, Rs 5,000 to Rs 10,000 for subsequent offence(s).	Rs 4,000 to Rs 10,000 for first offence, Rs 10,000 to Rs 20,000 for subsequent offence(s).
Driving without permit.	Up to Rs 2,000 for first offence, up to Rs 3,000 for subsequent offence(s).	Rs 4,000 to Rs 10,000 for first offence, Rs 10,000 to Rs 20,000 for subsequent offence(s).
Unauthorised interference with vehicle.	Up to Rs 100.	Rs 500 to Rs 1,000 (in case of brakes and other parts), Rs 1,000 to Rs 2,500 (in case of emission devices.)

Sources: Motor Vehicles Act, 1988; Motor Vehicles (Amendment) Bill, 2007; PRS

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