

Bill Summary

The Motor Vehicles (Amendment) Bill, 2016

- The Motor Vehicles (Amendment) Bill, 2016 was introduced in Lok Sabha on August 9, 2016 by the Minister of Road Transport and Highways, Mr. Nitin Gadkari. The Bill seeks to amend the Motor Vehicles Act, 1988. The Act provides for standards for motor vehicles, grant of driving licenses, and penalties for violation of these provisions.
- **National Transportation Policy:** The Bill requires the central government to develop a National Transportation Policy, in consultation with the states. The Policy will: (i) establish a planning framework for road transport, (ii) develop a framework for grant of permits and schemes, and (iii) identify and specify priorities for the road transport system.
- **Recall of vehicles:** The Bill allows the central government to order for recall of motor vehicles if a defect in the vehicle may cause damage to the environment, or the driver, or other road users. Vehicles may also be recalled if defects in a vehicle are reported to the central government. The manufacturer will have to (i) reimburse the buyers for the full cost of the vehicle, or (ii) replace the defective vehicle with another vehicle with similar or better specifications.
- **Compulsory insurance:** The Bill requires the central government to constitute a Motor Vehicle Accident Fund. The Fund will provide compulsory insurance cover to all road users in India. The Fund will be credited with: (i) a cess or tax as approved by the central government, (ii) a grant or loan made by the central government, or (iii) any other source as prescribed the central government. It will be managed by an authority specified by the central government.
- **Care for road accident victims:** The central government will develop a scheme for cashless treatment of road accident victims during golden hour. The Bill defines golden hour as the time period of up to an hour following a traumatic injury, during which the likelihood of preventing death through prompt medical care is the highest. The Bill also increases the compensation for death in a hit and run case from Rs 25,000 to Rs two lakh or more, as prescribed by the central government.
- **Protection of good samaritans:** The Bill defines a good samaritan as a person who renders emergency medical or non-medical assistance to a victim at the scene of an accident. The assistance must have been (i) in good faith, (ii) voluntary, and (iii) without the expectation of any reward. Such a person will not be liable for any civil or criminal action for any injury to or death of an accident victim. The central government may, through rules, provide for procedures related to their questioning or disclosure of personal information.
- **Aggregator services:** The Bill defines an aggregator as a digital intermediary or market place. The aggregator's services may be used by a passenger to connect with a driver for transportation purposes. The Bill requires these aggregators to obtain licenses. The aggregators will also be required to comply with the Information Technology Act, 2000.
- **Electronic services:** The Bill provides for the computerization of certain services. These include: (i) issue or grant of licenses or permits, (ii) filing of forms or applications (such as for licenses and registration), (iii) receipt of money (such as fines), and (iv) change of address. The state government must ensure electronic monitoring and enforcement of road safety on national highways, state highways, and urban roads. The central government will make rules for such monitoring.
- **Offences and penalties:** The Bill increases the penalties for several offences under the Act. For example, the maximum penalty for driving under the influence of alcohol or drugs has been increased from Rs 2,000 to Rs 10,000. If a motor vehicle manufacturer fails to comply with construction or maintenance standards of motor vehicles, the penalty may be a fine of up to Rs 100 crore, or imprisonment up to one year, or both.
- The Bill also recognizes offences committed by juveniles. In such cases the guardian of the juvenile or owner of the motor vehicle will be liable unless they prove that: (i) the offence was committed without their knowledge, or (ii) they exercised all due diligence to prevent commission of the offence.
- **Transportation schemes:** The Bill requires state governments to make transportation schemes that provide for certain objectives. These may include: (i) last mile connectivity, (ii) reducing traffic congestion, and (iii) safety of road users. The state may also make rules for regulating activities in public places, and non-motorized transport (bicycles, cycle rickshaws).
- **Miscellaneous:** The Bill also amends certain provisions on the issue, validity, and renewals of driving licenses.

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