



Sample Ordinance - Sample Financial Responsibility (Insurance)

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Reference Number: MTAS-1589

SAMPLE FINANCIAL RESPONSIBILITY (INSURANCE) LAW ORDINANCE (If Adopted Separate From Other Traffic Violations)

ORDINANCE NO. _____

AN ORDINANCE TO MAKE A VIOLATION OF TENNESSEE CODE ANNOTATED § 55-12-139 A
MUNICIPAL ORDINANCE VIOLATION

WHEREAS, under the authority of T.C.A. § 16-18-302, municipalities are authorized to make violations
of T.C.A. § 55-12-139 municipal ordinance violations,

NOW THEREFORE, BE IT ENACTED BY THE GOVERNING BODY OF THE CITY OF
_____, THAT:

(Note: Use whatever introductory language is required by the city's charter and by custom.)

Section 1. Compliance with financial responsibility law required.

- (1) Every vehicle operated within the corporate limits must be in compliance with the financial responsibility law.
- (2) At the time the driver of a motor vehicle is charged with any moving violation under Title 55, Chapters 8 and 10, Parts 1-5, Chapter 50; any provision in this title of this municipal code; or at the time of an accident for which notice is required under T.C.A. § 55-10-106, the officer shall request evidence of financial responsibility as required by this section. In case of an accident for which notice is required under T.C.A. § 55-10-106, the officer shall request such evidence from all drivers involved in the accident, without regard to apparent or actual fault.
- (3) For the purposes of this section, "financial responsibility" means:
 - (a) Documentation, such as the declaration page of an insurance policy, an insurance binder, or an insurance card from an insurance company authorized to do business in Tennessee, stating that a policy of insurance meeting the requirements of the Tennessee Financial Responsibility Law of 1977, compiled in T.C.A. Title 55, Chapter 12, Part 1, has been issued;
 - (b) A certificate, valid for one (1) year, issued by the commissioner of safety, stating that a cash deposit or bond in the amount required by the Tennessee Financial Responsibility Law of 1977, compiled in T.C.A. Title 55, Chapter 12, Part 1, has been paid or filed with the commissioner of revenue, or the driver has qualified as a self-insurer under T.C.A. § 55-12-111; or
 - (c) The motor vehicle being operated at the time of the violation was owned by a carrier subject to the jurisdiction of the Department of Safety or the Interstate Commerce Commission, or was owned by the United States, the state of Tennessee or any political subdivision thereof, and that such motor vehicle was being operated with the owner's consent.

Section 2. Civil Offense.

It is a civil offense to fail to provide evidence of financial responsibility pursuant to this ordinance. Any violation of this ordinance is punishable by a civil penalty of up to fifty dollars (\$50). The civil penalty prescribed by this ordinance shall be in addition to any other penalty prescribed by the laws of this state or by the city's municipal code of ordinances.

Section 3. Evidence of Compliance after Violation.

On or before the court date, the person charged with a violation of this ordinance may submit evidence of compliance with this ordinance in effect at the time of the violation. If it is the person's first violation and the court is satisfied that the financial responsibility was in effect at the time of the violation, the charge of failure to provide evidence of financial responsibility shall be dismissed. Upon the person's second or subsequent violation of this section, if the court is satisfied that the financial responsibility was in effect at the time of the violation, the charge of failure to provide evidence of financial responsibility may be dismissed. Any charge that is dismissed shall be dismissed without costs to the defendant and no litigation tax shall be due or collected.

Section 4. This ordinance shall take effect immediately upon adoption by the governing body upon final reading, the public welfare requiring.

Passed first reading: _____

Passed second reading: _____

Passed third reading: _____

Signed: _____

Mayor

Attest: _____

Recorder

Approved as to form: _____

City Attorney

EDITOR'S NOTE: If at the time of the violation, an accident resulting in bodily injury or death and such person was at fault for the accident, the municipal court shall have no jurisdiction unless it has general sessions jurisdiction. Public Chapter 479 (2013, effective 7/1/13)

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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