

Regular Session, 2014

HOUSE BILL NO. 872

BY REPRESENTATIVE IVEY

MTR VEHICLE/COMPULS INS: Provides relative to motor vehicle liability security

1 AN ACT

2 To amend and reenact R.S. 32:862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b),
3 863.1(C)(1)(c), (D), and (I)(3), 863.2(A)(5), (6), and (E)(1), 864, and 865(A) and
4 (B)(1), and to enact R.S. 32:868, relative to increasing the penalties for operating a
5 motor vehicle without the required motor vehicle liability security; to require
6 increased penalties for failing to provide required proof of compliance; to require
7 suspension, revocation or cancellation of driver's license and registration for
8 violations; to remove limits on the maximum amount of penalties and reinstatement
9 fees that are assessed; to increase the administrative reinstatement fee; to dedicate
10 revenue from the increased penalties to fund a real-time database for automobile
11 liability insurance; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 32: 862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b), 863.1(C)(1)(c),
14 (D), and (I)(3), 863.2(A)(5), (6) and (E)(1), 864, and 865(A) and (B)(1) are hereby amended
15 and reenacted and R.S. 32:868 is hereby enacted to read as follows:

16 §862. Proof of compliance

17 * * *

18 G. The prohibited actions and penalties for violations thereof are as follows:

19 * * *

1 (4) Whoever violates the provisions of this Subsection shall be fined not less
2 than seventy-five dollars, nor more than one thousand dollars, and shall be required
3 to perform not less than forty hours nor more than two hundred hours of community
4 service.

5 * * *

6 §863. Sanctions for false declaration; reinstatement fees; revocation of registration;
7 review

8 A.(1) Except as provided herein below, when the secretary determines that
9 a vehicle is not covered by security as required by this Chapter or that the owner or
10 lessee has allowed the required security to lapse, he shall revoke the registration of
11 the vehicle, impound the vehicle, or and cancel the vehicle's license plate.

12 * * *

13 (3)(a) Sanctions for a violation of Paragraph (1) of this Subsection shall be
14 imposed until proof of required liability security is provided to the secretary and all
15 reinstatement fees are paid. Sanctions for a violation of Paragraph (2) of this
16 Subsection shall be imposed for a period of not less than ~~six~~ twelve months nor more
17 than eighteen months. However, in no event shall these sanctions be removed until
18 such time as proof of the required security is provided to the secretary along with all
19 appropriate fees required by law, including a reinstatement fee of ~~twenty-five~~ one
20 hundred dollars per violation of Paragraph (1) of this Subsection if the vehicle was
21 not covered by the required security for a period of one to thirty days, ~~one~~ two
22 hundred fifty dollars if the vehicle was not covered by required security for a period
23 of thirty-one to ninety days, and ~~two~~ five hundred dollars if the vehicle was not
24 covered by required security for a period in excess of ninety days. No reinstatement
25 fee shall be imposed by the secretary if the vehicle was not covered by required
26 security for a period of ten days or less and the insured surrenders the vehicle's
27 license plate to the secretary within ten days. The reinstatement fees for violations
28 of Paragraph (2) of this Subsection shall be as follows: ~~twenty-five~~ two hundred fifty
29 dollars for a first violation, ~~one~~ five hundred dollars for a second violation, and ~~two~~

1 (c) For a first offense there shall be a reinstatement fee of ~~fifty~~ one hundred
2 dollars, for a second offense there shall be a reinstatement fee of ~~one~~ two hundred
3 fifty dollars, and for any subsequent offense there shall be a reinstatement fee of five
4 hundred dollars. The reinstatement fee contained herein shall be in addition to other
5 appropriate registration fees allowed by law and reinstatement shall depend upon
6 proof of compliance with the compulsory liability law.

7 * * *

8 D. Prior to reinstatement of registration and license plate privileges to any
9 individual who cannot prove the required insurance coverage or security in effect at
10 the time of the offense within three calendar days after the offense, the Department
11 of Public Safety and Corrections shall collect a reinstatement fee of ~~ten~~ fifty dollars
12 to offset the costs of administering this Section. This ~~ten-~~ fifty dollar fee shall be in
13 addition to any other fines, fees, or penalties owed prior to reinstatement of
14 privileges.

15 * * *

16 I.

17 * * *

18 (3) If the owner fails to provide the proof required in Paragraph (2), there
19 shall be a fine of ~~fifty~~ one hundred dollars for a first offense, a fine of ~~one~~ two
20 hundred fifty dollars for a second offense, and a fine of five hundred dollars for any
21 subsequent offense.

22 §863.2. Notification of the cancellation or issuance of security; penalties; database
23 development

24 A.

25 * * *

26 (5) If any cancellation of a motor vehicle liability policy occurs at the
27 request of the insured, the insurer is not obligated to cancel such policy earlier than
28 ten days prior to actual receipt by the insurer of such request. The insurer shall

1 notify the commissioner of the request for cancellation within five days of the
2 request.

3 (6) If any cancellation of a motor vehicle liability insurance policy occurs
4 as a result of the rescission or other cancellation of the sale of the motor vehicle on
5 which the policy is issued, the insurer shall notify the secretary of the cancellation
6 and the circumstances of the cancellation within ten days, and the insured shall not
7 be liable for any penalty or fee imposed for failure to maintain the security required
8 by law.

9 * * *

10 E.(1) Upon receipt of notice of cancellation of insurance or other security,
11 the secretary shall take the appropriate administrative actions pursuant to this Part.

12 Prior to taking any administrative action based on the receipt of a notice of
13 cancellation of insurance or other security, the secretary shall notify the person who
14 is the subject of the notice of cancellation at his last known driver's license address,
15 ~~of cancellation~~ of the receipt of that notice. The secretary shall provide the notice
16 fifteen days after the secretary's receipt of the notice of cancellation of insurance or
17 other security as provided by Subsection A. The notice of receipt of a notice of
18 cancellation shall be in writing. The notice shall inform the subject that he has ten
19 calendar days from the date of the notice in which he may surrender the license
20 plates of the vehicle in order to avoid the fees prescribed by R.S. 32:863(A)(3)(a).
21 The person to whom the notice is addressed shall have thirty days to respond to the
22 notice. The response may be made by mail.

23 * * *

24 §864. Criminal sanctions for false declaration

25 Any person, firm or corporation which violates R.S. 32:863(A)(2) shall be
26 guilty of a misdemeanor and upon conviction shall be fined not ~~more~~ less than ~~one~~
27 five hundred twenty-five dollars, nor more than one thousand dollars, or imprisoned
28 for a period of not more than thirty days.

1 §865. Criminal sanctions for operating motor vehicle not covered by security

2 A. Any person knowingly operating a motor vehicle and any owner allowing
3 a motor vehicle to be operated, when such motor vehicle is not covered by the
4 security required under R.S. 32:861 shall, upon conviction, be fined not ~~more~~ less
5 than five hundred dollars, nor more than one thousand dollars.

6 B.(1) If the vehicle is in any manner involved in an accident within this state,
7 when such motor vehicle is not covered by the security required under R.S. 32:861,
8 the owner thereof shall, upon conviction, be fined not ~~more~~ less than five hundred
9 dollars, nor more than one thousand dollars, shall have the registration of the vehicle
10 revoked for a period of ~~sixty~~ one hundred eighty days, and shall have his driving
11 privileges suspended for a period of ~~sixty~~ one hundred eighty days.

12 * * *

13 §868. Funding of real-time system to verify motor vehicle insurance

14 All monies collected pursuant to R.S. 22:863(E) and one-half of all monies
15 collected pursuant to all other provisions of this Part, other than those fees collected
16 pursuant to R.S. 22:863.2(B) and (C), shall be appropriated to fund the creation and
17 maintenance of the real-time system to verify motor vehicle insurance authorized by
18 R.S. 22:863.2(F).

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ivey HB No. 872

Abstract: Increases penalties for operating vehicle without the required liability insurance.

Present law requires a fine not to exceed \$1,000.00 for violation of the Motor Vehicle Safety Responsibility law.

Proposed law retains present law and additionally requires a minimum fine of \$75.

Present law requires that the Dept. of Public Safety and Corrections (DPS&C) revoke the registration, impound or cancel the vehicle license plate of a vehicle not covered by security as required by the Motor Vehicle Safety Responsibility law, and the suspension shall be for a minimum of six months and a maximum of 18 months when the owner submitted false information that the vehicle was covered by the required security.

Proposed law retains present law but requires that DPS&C revoke the registration, impound the vehicle and cancel the vehicle license plate of a vehicle not covered by security as required by the Motor Vehicle Safety Responsibility law, and increases the minimum suspension to 12 months when the owner submits false information that the vehicle was covered by the required security.

Present law requires that DPS&C impose a reinstatement fee of \$25 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$100 for a period of 31 to 90 days, and a fee of \$200 for a period in excess of 90 days, and imposes the same fees when the registration has been revoked because the owner submitted false information that the vehicle was covered by the required security.

Proposed law retains present law but imposes a reinstatement fee of \$100 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$250 for a period of 31 to 90 days, and a fee of \$500 for a period in excess of 90 days. Proposed law also imposes a reinstatement fee of \$ 250 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$500 for a period of 31 to 90 days, and a fee of \$1,000 for a period in excess of 90 days when the registration has been revoked because the owner submitted false information that the vehicle was covered by the required security in his application for registration or in his application for inspection.

Present law provides that if a person has multiple violations at the time of reinstatement, the total amount of fees shall not exceed \$500 for a person under 65 years old, and \$200 for a person 65 years or older.

Proposed law removes the maximum amount of fees that can be owed by any person at the time of reinstatement.

Present law provides that DPS&C shall waive the sanctions and reinstatement fees for failure to maintain the required security when the owner furnishes evidence to DPS&C that the vehicle is currently covered by the required security.

Proposed law retains present law but requires that the required security have been continuous without lapse.

Present law requires DPS&C charge a reinstatement fee of \$50 for a first offense and \$150 for a second offense of failing to keep in the vehicle documentation that the vehicle is in compliance with the Motor Vehicle Safety Responsibility law, and also requires that DPS&C collect a reinstatement administration fee of \$10.

Proposed law retains present law but requires DPS&C charge a reinstatement fee of \$100 for a first offense and \$250 for a second offense, and collect a reinstatement administration fee of \$50.

Present law requires a fine of \$50 for a first offense and a fine of \$150 for a second offense when the operator of a vehicle registered in another state is involved in an accident in Louisiana and is unable to provide documentation that the vehicle is in compliance with the Motor Vehicle Safety Responsibility law.

Proposed law retains present law but requires a fine of \$100 for a first offense and \$250 for a second offense.

Proposed law requires an insurer notify DPS&C within five days of receipt of a request from an insured to cancel his motor vehicle liability policy.

Present law requires an insurer notify DPS&C when the insurer receives notification of cancellation of a motor vehicle liability policy due to rescission or other cancellation of the

sale of the vehicle on which the policy was issued, and also requires DPS&C to provide prior notice to the subject of a notice of cancellation if DPS&C takes any administrative action.

Proposed law retains present law but requires the insurer to notify DPS&C within 10 days of notification of cancellation of a motor vehicle liability policy due to rescission or other cancellation of the sale of the vehicle on which the policy was issued, and additionally requires DPS&C to take administrative action based upon the notice of cancellation and provide the subject of the administrative action notice 15 days after receipt of notice of cancellation that administrative action will be taken by DPS&C.

Present law requires a fine of not more than \$125 for the submission of false information that a vehicle was covered by the required security in an application for registration or an application for inspection, and a fine of not more than \$500 for knowingly operating a vehicle or allowing to be operated without the required security.

Proposed law retains present law but requires a minimum fine of \$500 and a maximum fine of \$1,000.

Present law requires a fine of not more than \$500, revocation of vehicle registration for 60 days, and suspension of driving privileges for 60 days imposed upon the owner of a vehicle involved in an accident in La. when not covered by the required security.

Proposed law retains present law but imposes a minimum fine of \$500 and a maximum fine of \$1,000, revocation of vehicle registration for 180 days, and suspension of driving privileges for 180 days.

Present law requires the secretary to procure and implement a real-time system to verify the existence of motor vehicle insurance in compliance with the Motor Vehicle Safety Responsibility Law.

Proposed law retains present law, but provides that all monies collected pursuant to R.S. 22:863.2(E) and one-half of the monies collected pursuant to the other provisions of present law shall be appropriated to fund the creation and maintenance of the real-time system.

(Amends R.S. 32:862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b), 863.1(C)(1)(c), (D), and (I)(3), 863.2(A)(5), (6) and (E)(1), 864, and 865(A) and (B)(1); Adds R.S. 32:868)