

CONFERENCE COMMITTEE REPORT
House Bill No. 872 By Representative Ivey

June 2, 2014

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 872 by Representative Ivey, recommend the following concerning the reengrossed bill:

1. That Senate Committee Amendments Nos. 1 and 2 proposed by the Senate Committee on Transportation, Highways, and Public Works and adopted by the Senate on May 20, 2014, be adopted.
2. That Senate Committee Amendments Nos. 3 through 6 proposed by the Senate Committee on Transportation, Highways, and Public Works and adopted by the Senate on May 20, 2014, be rejected.
3. That the Senate Committee Amendment proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on May 26, 2014, be rejected.
4. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, delete lines 2 through 10 and insert the following:

"To amend and reenact R.S. 32:862(G)(4), 863(A)(1) and (3)(a) and (b)(I), and (B)(2)(b), 863.1(C)(1)(c) and (I)(3), 864, and 865(A) and (B)(1), to enact R.S. 32:868, and to repeal the Act that originated as House Bill No. 851 of the 2014 Regular Session of the Louisiana Legislature, relative to increasing the penalties for operating a motor vehicle without the required motor vehicle liability security; to require increased penalties for failing to provide required proof of compliance; to require suspension, revocation, or cancellation of driver's license and registration for violations; to remove limits on the maximum amount of penalties and reinstatement fees that are assessed; to create the Insurance Verification System Fund and to dedicate revenue from the increased penalties to the fund; and to provide for related matters."

AMENDMENT NO. 2

On page 1, delete lines 12 through 14 and insert the following:

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

AMENDMENT NO. 3

On page 2, line 17, delete "fifty" and insert "one hundred"

AMENDMENT NO. 4

On page 2, line 19, before "hundred" change "one" to "two"

AMENDMENT NO. 5

On page 2, line 21, delete "three" and insert "five"

AMENDMENT NO. 6

On page 2, line 26, delete "one hundred twenty-five" and insert "two hundred fifty"

AMENDMENT NO. 7

On page 2, line 27, delete "two" and insert "five"

AMENDMENT NO. 8

On page 2, line 28, delete "four hundred" and insert "one thousand"

AMENDMENT NO. 9

On page 3, at the end of line 2, insert the following:

"If at the time of reinstatement a person has multiple violations, the total amount of fees to be paid shall not exceed eight hundred fifty dollars for violations of Paragraph (1) of this Subsection, one thousand seventy-five dollars for violations of Paragraph (2) of this Subsection. At no time shall the total amount of fees, including administrative fees, exceed two hundred fifty dollars for persons sixty-five years or older."

AMENDMENT NO. 10

On page 3, between lines 6 and 7, insert the following:

"(b)

* * *

(I) Notwithstanding any other provision of this Chapter to the contrary, except for R.S. 32:868, and after satisfying the requirements of the Bond Security and Redemption Fund, thirty-six percent of the revenues from the reinstatement fees shall be used as provided by law for the construction, maintenance, and operating expenses of new capital immovables and related movables."

AMENDMENT NO. 11

On page 3, between lines 24 and 25, insert the following:

"C.(1)

* * *

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

* * *"

AMENDMENT NO. 12

On page 4, delete line 7, and insert "five hundred twenty-five dollars, nor more than one thousand dollars, or"

AMENDMENT NO. 13

On page 4, at the end of line 21, insert a semicolon ";" and "Insurance Verification Fund; creation"

AMENDMENT NO. 14

On page 4, delete lines 22 through 29, and insert the following:

"A. Of the reinstatement fees assessed in R.S. 32:863(A)(3)(a), an amount of seventy-five dollars from each reinstatement fee levied for lack of required security up to thirty days, one hundred fifty dollars from each reinstatement fee levied for lack of required security between thirty-one days and ninety days, and three hundred dollars from each reinstatement fee levied for lack of security for in excess of ninety days, and of the reinstatement fees assessed in R.S. 32:863.1(C)(1)(c) and (I)(3) an amount of fifty dollars from each first offense and one hundred dollars from each second offense, shall be, after first having been credited to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Louisiana Constitution, deposited into the Insurance Verification System Fund.

B. There is hereby created in the state treasury the Insurance Verification System Fund, hereinafter referred to as the "fund". Monies in the fund shall be invested in the same manner as monies in the state general fund. Interest earned on investment of monies in the fund shall be deposited in and credited to the fund. The monies in this fund shall be used solely as provided for in this Section and only in the amounts appropriated by the legislature. Unexpended and unencumbered monies in the fund shall remain in the fund. Monies in the fund shall be used in amounts appropriated by the legislature as follows:

(1) For Fiscal Year 2014-2015, monies in the fund shall be used as follows:

(a) First, to fully fund the creation and maintenance of the real-time system to verify motor vehicle insurance authorized by R.S. 32:863.2(F).

(b) The next forty-two million dollars shall be dedicated to the Department of Public Safety and Corrections, office of state police.

(c) The remainder of deposits shall be used for public safety and law enforcement purposes.

(2) For Fiscal Year 2015-2016 and each fiscal year thereafter, monies in the fund shall be used as follows:

(a) First, to fully fund the annual maintenance of the real-time system to verify motor vehicle insurance authorized by R.S. 32:863.2(F).

(b) The next forty-two million dollars per year shall be dedicated to the Department of Public Safety and Corrections, office of state police.

(c) In the event House Bill No. 562 of the 2014 Regular Session of the Legislature is enacted into law, the next seven million dollars per year shall be used to fund the housing of parolees who are detained in sheriffs' jails pending their revocation hearing as provided in R.S. 15:824(B)(1)(e)(ii).

(d) The next one million dollars per year shall be used to provide additional funding to district attorneys and assistant district attorneys, specifically to fund additional assistant district attorneys beginning in 2015.

(e) The remainder of monies in the fund shall be used for public safety and law enforcement purposes.

(3) Funds from the Insurance Verification System Fund shall not be used to pay any costs associated with the implementation of a system for the issuance of REAL ID compliant drivers licenses and special identification cards.

Section 2. The Act that originated as House Bill No. 851 of the 2014 Regular Session of the Louisiana Legislature is hereby repealed in its entirety."

AMENDMENT NO. 15

On page 5, line 1, change "Section 2." to Section 3." and change "February 1, 2015" to "July 1, 2014."

Respectfully submitted,

Representative Barry Ivey

Senator Neil Riser

Representative Karen Gaudet St. Germain

Senator Robert Adley

Representative Chris Broadwater

Senator Mike Walsworth

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)]

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 872 by Representative Ivey

Keyword and oneliner of the instrument as it left the House

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

Report adopts Senate amendments to:

1. Technical amendments only.

Report rejects Senate amendments which would have:

1. Reduced the amount used to fund the real-time system from \$75 to \$25 from each sanction levied for lack of required security up to 30 days.
2. Reduced the amount used to fund the real-time system from \$150 to \$50 from each sanction levied for lack of required security between 31 days and 90 days.
3. Reduced the amount used to fund the real-time system from \$300 to \$100 from each sanction levied for lack of required security in excess of 90 days.
4. Placed all additional revenue into the State Police Salary Fund.

Report amends the bill to:

1. Return the bill to its original form as it was introduced with the exception of the administrative fee increase and the time deadline for notification of cancellation to the commissioner.
2. Increases maximum fine for multiple violations.
3. Create the Insurance Verification Fund and provide for revenues to the fund.
4. Provide for the allocation of all additional revenue collected as a result of the increase in fees.

Digest of the bill as proposed by the Conference Committee

Present law requires a fine not to exceed \$1,000 for violation of the Motor Vehicle Safety Responsibility Law.

Proposed law adds requirement for a minimum fine of not less than \$75.

If a vehicle is not covered by security as required by present law or if the owner or lessee has allowed the required security to lapse, proposed law requires the secretary of the Dept. of Public Safety and Corrections (DPS&C) to impound the vehicle or to revoke the registration or cancel the vehicle's license plate.

Proposed law further increases the sanctions in present law to be imposed by the secretary from a minimum of 6 months to a minimum of 12 months and a maximum of 18 months if the secretary determines that any person has submitted false information that the motor vehicle was covered by the security required by present law.

Proposed law increases the reinstatement fee from \$25 to \$100 if a vehicle was not covered by the required security for a period of one to 31 days, from \$100 to \$250 for a period of 31 to 90 days, and from \$200 to \$500 for a period in excess of 90 days. Proposed law also increases reinstatement fees for a first violation of providing false information from \$25 to \$250; a second violation from \$100 to \$500; and a third or subsequent violation from \$200 to \$1000.

Proposed law deletes present law that 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.

Present law provides that sanctions and reinstatement fees for failure to maintain the required security may be waived when the owner furnishes evidence that the vehicle is currently covered by the required security.

Proposed law requires that the required security be continuous without lapse.

Present law requires an owner to have certain documents proving security coverage. Proposed law increases penalties for lack of such proof as follows: from \$50 to \$100 for a first offense; from \$150 to \$250 for a second offense; and retains present law of \$500 for a third or subsequent offense.

Present law provides criminal sanctions for false declaration of meeting surety requirements. Proposed law increases those sanctions from not more than \$125 to between \$500 and \$1000.

Present law provides criminal sanctions for knowingly operating a vehicle without the required surety. Proposed law increases those sanctions from not more than \$500 to between \$500 and \$1,000.

Present law provides criminal sanctions, revocation of vehicle registration, and suspension of driving privileges for a vehicle not covered by the required surety that is involved in an accident. Proposed law increases those sanctions from not more than \$500 to between \$500 and \$1000, increases the period of registration revocation from 60 to 180 days, and increases the driving privileges suspension from 60 days to 180 days.

Present law requires the secretary of DPS&C 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 creates the Insurance Verification System Fund (the "fund") as a special treasury fund. Provides that the fee increases are dedicated to such fund. Provides that monies in the fund shall be used in the amounts appropriated by the legislature as follows:

- (1) For FY 2014-2015, first to fund the creation and maintenance of the real-time verification system; then the next \$42 million for the office of state police. Any deposits remaining in the fund shall be used for public safety and law enforcement purposes.
- (2) For FY 2015-2016 and each fiscal year thereafter, first to fund the maintenance of the real-time verification system; the next \$42 million shall be used for the office of state police. If HB No. 562 of the 2014 R.S. is enacted into law, the next \$7 million shall be used to fund the cost of housing parolees detained pending their revocation hearing as provided by law. The next \$1 million shall be used for DA's and assistant DA's, specifically new assistant DA's beginning in 2015. Any deposits remaining in the fund shall be used for public safety and law enforcement purposes.

Proposed law provides that funds from the Insurance Verification Fund shall not be used to pay any costs associated with REAL ID, its compliance, or implementation.

Proposed law repeals House Bill No. 851 by Representative Talbot.

Proposed law becomes effective July 1, 2014.

(Amends R.S. 32:862(G)(4), 863(A)(1) and (3)(a) and (b)(I), and (B)(2)(b), 863.1(C)(1)(c), and (I)(3), 864, and 865(A) and (B)(1); Adds R.S. 32:868; Repeals House Bill No. 851 of 2014 R.S.))