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## DIGEST

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### 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.))