

2017 Regular Session

HOUSE BILL NO. 687 (Substitute for House Bill No. 606 by Representative Havard)

BY REPRESENTATIVE HAVARD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MOTOR VEHICLES: Clarifies contract requirements relative to public license tag agents

1 AN ACT

2 To amend and reenact R.S. 47:532.1(E) and 532.2(A)(introductory paragraph), (2), (8)
3 through (12), and (B) and to enact R.S. 47:532.2(A)(13), (14), and (15), to establish
4 contract renewal requirements for public license tag agents; to require notice and
5 cause if the Department of Public Safety and Corrections, office of motor vehicles,
6 fails to renew a contract; to impose a penalty; to provide relative to the causes for
7 suspension, revocation, cancellation of, or restrictions on public license tag agent
8 contracts; to provide relative to a stay of actions if a public license tag agent requests
9 an administrative hearing to review certain actions of the office of motor vehicles;
10 and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:532.1(E) and 532.2(A)(introductory paragraph), (2), (8) through
13 (12), and (B) are hereby amended and reenacted and R.S. 47:532.2(A)(13), (14), and (15)
14 are hereby enacted to read as follows:

15 §532.1. Public license tag agents; auto title companies; rules and regulations; surety
16 bonds; fees

17 * * *

18 E.(1) The contract between the Department of Public Safety and Corrections,
19 office of motor vehicles and a person who contracts to perform services pursuant to

1 this Section shall be for a term of two years and may be automatically renewed by
2 the Department of Public Safety and Corrections, office of motor vehicles.

3 (2) The office of motor vehicles shall furnish license renewal information
4 to each contracted public license tag agent at least sixty days in advance of the
5 expiration date of the contract. The public license tag agent shall complete and
6 return the application and any related documents to the office of motor vehicles at
7 least thirty days in advance of the expiration date of the contract. The office of
8 motor vehicles shall execute and return the new contract to the public license tag
9 agent prior to the expiration date of the contract.

10 (3) If the office of motor vehicles does not intend to renew its contract with
11 a public license tag agent, the office of motor vehicles shall send notice and cite the
12 cause for failure to renew, which shall be limited to the causes provided for in R.S.
13 47:532.2(A), to the public license tag agent at least sixty days in advance of the
14 expiration of the contract.

15 (4) If the office of motor vehicles fails to comply with the provisions of
16 Paragraph (2) or (3) of this Subsection, the contract shall be automatically renewed
17 for a period of two years, subject to payment of the renewal fee and the surety bond
18 for the renewal period.

19 §532.2. Public tag agents; causes for suspension, revocation, cancellation, or
20 restrictions; reinstatement

21 A. The office of motor vehicles may suspend, revoke, cancel, or impose
22 other restrictions on any contract confected pursuant to R.S. 47:532.1 for the
23 following causes:

24 * * *

25 (2) Operating as a public license tag agent without a contract for each
26 location, with an expired contract of which the office of motor vehicles has notified
27 the public license tag agent in writing will not be renewed and not authorized to
28 operate, or without a valid surety bond on file with the office of motor vehicles.

29 * * *

1 (8) The forwarding to the office of motor vehicles by a public license tag
2 agent of a document ~~relevant to a registration or titling transaction~~ that results in a
3 material injury to the public records, or a shortfall in the collection of taxes or fees
4 owed when the public tag agent had knowledge of facts causing such injury or
5 shortfall, and failed to disclose same to the office of motor vehicles.

6 (9) The issuance of any duplicate driver's license or renewal of a driver's
7 license in violation of law or administrative rule.

8 (10) The initial issuance of any driver's license.

9 ~~(9)~~ (11) Conviction of, or entry of a plea of guilty or nolo contendere to, any
10 felony or conviction of, or entry of a plea of guilty or nolo contendere to, any
11 criminal charge an element of which is fraud.

12 ~~(10)~~ (12) Fraud, deceit, or perjury in obtaining any contract perfected
13 pursuant to R.S. 47:532.1.

14 ~~(11)~~ (13) Failure to maintain at all times during the term of the contract all
15 qualifications required by R.S. 47:532.1 or by rule adopted by the office of motor
16 vehicles.

17 (14) Errors in document submission committed knowingly and willfully by
18 the public license tag agent or committed knowingly and willfully by an employee
19 with the knowledge of the public license tag agent.

20 ~~(12)~~ (15) Any other cause the office of motor vehicles may establish through
21 the adoption of a rule.

22 B. Any person whose contract has been suspended, canceled, or revoked
23 during the effective term of the contract may request an administrative hearing to
24 review the office of motor vehicles' action. A request for administrative review shall
25 not stay the action of the office of motor vehicles. Furthermore, a stay of the action
26 of the office of motor vehicles shall not be granted during the course of the
27 administrative proceeding.

1 Section 2. The Department of Public Safety and Corrections, office of motor
2 vehicles, shall promulgate rules and regulations in accordance with the Administrative
3 Procedure Act to carry out the provisions of this Act.

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)]

HB 687 Original

2017 Regular Session

Havard

Abstract: Modifies contract requirements for contracts between the Dept. of Public Safety and Corrections, office of motor vehicles, and public tag agents.

Present law requires the contract between the Dept. of Public Safety and Corrections, office of motor vehicles (OMV) and a person who contracts to perform services pursuant to present law be for a term of two years and specifies that it may be automatically renewed by the Dept. of Public Safety and Corrections, OMV.

Proposed law maintains present law and requires OMV furnish license renewal information to each contracted public license tag agent at least 60 days prior to the expiration of the contract. Requires the public license tag agent to complete and return the application and accompanying documents to the OMV at least 30 days prior to the expiration of the contract. Requires the OMV to return the new contract to the public license tag agent prior to the expiration of the contract.

Proposed law requires the OMV send notice to the public license tag agent of intent to not renew a contract and cite causes as provided in present law at least 60 days prior to the expiration of the contract.

Proposed law provides for the automatic renewal of a contract for a two-year period, subject to payment of the renewal fee and the surety bond for the renewal period if the OMV fails to comply with proposed law.

Present law authorizes the OMV to suspend, revoke, cancel, or impose other restrictions on any contract confected pursuant to present law for certain causes committed by the public tag agent or its employee.

Proposed law maintains present law.

Present law authorizes the OMV to suspend, revoke, cancel, or impose other restrictions on any contract with a public license tag agent: (1) if the public tag agent operates as a public license tag agent without a contract for each location, with an expired contract, or without a valid surety bond on file with the OMV and (2) the public tag agent forwards to the OMV a document relevant to a registration or titling transaction that results in material injury to the public records or a shortfall in the collection of taxes owed.

Proposed law maintains present law and clarifies that the public license tag agent must be notified in writing by the OMV that the expired contract will not be renewed and the public license tag agent is not authorized to operate for it to be considered a cause for suspension, revocation, cancellation, or imposing other restrictions and removes the requirement that the document must be relevant to a registration or titling transaction and clarifies that the consequence may occur if there is a shortfall in the collection of fees owed in addition to taxes owed.

Proposed law adds the issuance of the initial driver's license or any duplicate driver's license or renewal of a driver's license in violation of the law or an administrative rule and errors in document submission committed knowingly and willfully by the public license tag agent or by an employee with the knowledge of the public license tag agent to the causes for suspension, revocation, cancellation, or imposition of other restrictions.

Present law permits any person whose contract has been suspended, cancelled, or revoked during the effective term of the contract to request an administration hearing to review the actions of the OMV and clarifies that the request for administrative review will stay the action of the OMV.

Proposed law maintains present law but prohibits the request for administrative review from staying the action of the OMV and prohibits the stay of action of the OMV from being granted during the course of the administrative proceeding.

Proposed law requires the Dept. of Public Safety and Corrections, OMV, to promulgate rules and regulations adjusting the La. Administrative Code to appropriately conform with the provisions of proposed law.

(Amends R.S. 47:532.1(E) and 532.2(A)(introductory paragraph), (2), (8) through (12), and (B); Adds R.S. 47:532.2(A)(13), (14), and (15))