

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

10 Be it enacted by the Legislature of Louisiana:

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

14 §532.1. Public license tag agents; auto title companies; rules and regulations; surety
15 bonds; fees

16 * * *

17 E.(1) The contract between the Department of Public Safety and Corrections,
18 office of motor vehicles and a person who contracts to perform services pursuant to
19 this Section shall be for a term of two years and may be automatically renewed by
20 the Department of Public Safety and Corrections, office of motor vehicles.

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 ~~(12)~~ (14) Any other cause the office of motor vehicles may establish through
18 the adoption of a rule.

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

25 Section 2. The Department of Public Safety and Corrections, office of motor
26 vehicles, shall promulgate rules and regulations in accordance with the Administrative
27 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 Reengrossed

2017 Regular Session

Havard

Abstract: Modifies contract requirements for contracts between the Dept. of Public Safety and Corrections, office of motor vehicles, and public license 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 and specifies that if the public tag agent fails to comply with the provisions of proposed law then the contract will expire on the expiration date of the existing contract.

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 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 administrative 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)(2) and (8) through (12) and (B); Adds R.S. 47:532.2(A)(13) and (14))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Specify that if the public license tag agent fails to comply with the provisions of proposed law then the contract will expire on the expiration date of the existing contract.
3. Delete a provision that authorized the office of motor vehicles to suspend, revoke, or cancel a contract for errors in document submissions committed knowingly and willfully by the public license tag agent or by his employee with his knowledge.