
DIGEST

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HB 875 Original

2026 Regular Session

Phelps

Abstract: Decreases reinstatement fees and increases grace periods applicable to lapses in motor vehicle liability security.

Present law requires a reinstatement fee for a lapse in vehicle security be \$100 per violation for lapses in coverage between one to 30 days; a reinstatement fee of \$250 for lapses in coverage between 31 to 90 days; and \$500 for lapses in coverage in excess of 90 days.

Proposed law modifies present law by decreasing a reinstatement fee for a lapse in vehicle security from \$100 to \$50 per violation for lapses in coverage between one to 30 days; a reinstatement fee from \$250 to \$200 for lapses in coverage between 31 to 90 days; and from \$500 to \$450 for lapses in coverage in excess of 90 days.

Present law prohibits a reinstatement fee from being imposed by the secretary if the vehicle was not covered by required security for 10 days or less and the insured surrenders the vehicle's license plate to the secretary within 10 days or if the violation is the insured's first violation pursuant to present law and the lapse of insurance coverage was for 10 days or less, provided that immediate notice of the cancellation is given within one to five days before issuing the violation.

Proposed law increases the grace period before the imposition of a reinstatement fee for lapses in security from 10 days or less to 30 days or less. Further increases the grace period if the insured surrenders the vehicle's license plate to the secretary from 10 days to 30 days or if the violation is the insured's first violation pursuant to present law and the lapse of insurance coverage from 10 days or less to 30 days or less.

(Amends R.S. 32:863(A)(3)(a))