

Regular Session, 2014

HOUSE BILL NO. 872

BY REPRESENTATIVE IVEY

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

1 AN ACT

2 To amend and reenact R.S. 32:862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b),
3 863.1(C)(1)(c), (D), and (I)(3), 863.2(E)(1), 864, and 865(A) and (B)(1) and to enact
4 R.S. 32:868, relative to increasing the penalties for operating a motor vehicle
5 without the required motor vehicle liability security; to require increased penalties
6 for failing to provide required proof of compliance; to require suspension, revocation
7 or cancellation of driver's license and registration for violations; to remove limits on
8 the maximum amount of penalties and reinstatement fees that are assessed; to
9 increase the administrative reinstatement fee; to dedicate revenue from the increased
10 penalties to fund a real-time database for automobile liability insurance; and to
11 provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 32:862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b), 863.1(C)(1)(c),
14 (D), and (I)(3), 863.2(E)(1), 864, and 865(A) and (B)(1) are hereby amended and reenacted
15 and R.S. 32:868 is hereby enacted to read as follows:

16 §862. Proof of compliance

17 * * *

18 G. The prohibited actions and penalties for violations thereof are as follows:

19 * * *

1 (4) Whoever violates the provisions of this Subsection shall be fined not less
2 than seventy-five dollars, nor more than one thousand dollars, and shall be required
3 to perform not less than forty hours nor more than two hundred hours of community
4 service.

5 * * *

6 §863. Sanctions for false declaration; reinstatement fees; revocation of registration;
7 review

8 A.(1) Except as provided herein below, when the secretary determines that
9 a vehicle is not covered by security as required by this Chapter or that the owner or
10 lessee has allowed the required security to lapse, he shall revoke the registration of
11 the vehicle, impound the vehicle, or and cancel the vehicle's license plate.

12 * * *

13 (3)(a) Sanctions for a violation of Paragraph (1) of this Subsection shall be
14 imposed until proof of required liability security is provided to the secretary and all
15 reinstatement fees are paid. Sanctions for a violation of Paragraph (2) of this
16 Subsection shall be imposed for a period of not less than ~~six~~ twelve months nor more
17 than eighteen months. However, in no event shall these sanctions be removed until
18 such time as proof of the required security is provided to the secretary along with all
19 appropriate fees required by law, including a reinstatement fee of ~~twenty-five~~ one
20 hundred dollars per violation of Paragraph (1) of this Subsection if the vehicle was
21 not covered by the required security for a period of one to thirty days, ~~one~~ two
22 hundred fifty dollars if the vehicle was not covered by required security for a period
23 of thirty-one to ninety days, and ~~two~~ five hundred dollars if the vehicle was not
24 covered by required security for a period in excess of ninety days. No reinstatement
25 fee shall be imposed by the secretary if the vehicle was not covered by required
26 security for a period of ten days or less and the insured surrenders the vehicle's
27 license plate to the secretary within ten days. The reinstatement fees for violations
28 of Paragraph (2) of this Subsection shall be as follows: ~~twenty-five~~ two hundred fifty
29 dollars for a first violation, ~~one~~ five hundred dollars for a second violation, and ~~two~~

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

7 * * *

8 D. Prior to reinstatement of registration and license plate privileges to any
9 individual who cannot prove the required insurance coverage or security in effect at
10 the time of the offense within three calendar days after the offense, the Department
11 of Public Safety and Corrections shall collect a reinstatement fee of ~~ten~~ fifty dollars
12 to offset the costs of administering this Section. This ~~ten~~ fifty dollar fee shall be in
13 addition to any other fines, fees, or penalties owed prior to reinstatement of
14 privileges.

15 * * *

16 I.

17 * * *

18 (3) If the owner fails to provide the proof required in Paragraph (2), of this
19 Subsection there shall be a fine of ~~fifty~~ one hundred dollars for a first offense, a fine
20 of ~~one~~ two hundred fifty dollars for a second offense, and a fine of five hundred
21 dollars for any subsequent offense.

22 §863.2. Notification of the cancellation or issuance of security; penalties; database
23 development

24 * * *

25 E.(1) Upon receipt of notice of cancellation of insurance or other security,
26 the secretary shall take the appropriate administrative actions pursuant to this Part.
27 Prior to taking any administrative action based on the receipt of a notice of
28 cancellation of insurance or other security, the secretary shall notify the person who
29 is the subject of the notice of cancellation at his last known driver's license address,

1 pursuant to R.S. 22:863.2(B) and (C), shall be used solely to fund the creation and
 2 maintenance of a real-time system to verify motor vehicle insurance authorized by
 3 R.S. 22:863.2(F).

4 Section 2. This Act shall become effective February 1, 2015.

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)]

Ivey

HB No. 872

Abstract: Increases penalties for operating vehicle without the required liability insurance.

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

Proposed law retains present law and additionally requires a minimum fine of \$75.

Present law requires that the Dept. of Public Safety and Corrections (DPS&C) revoke the registration, impound or cancel the vehicle license plate of a vehicle not covered by security as required by the Motor Vehicle Safety Responsibility Law, and the suspension shall be for a minimum of six months and a maximum of 18 months when the owner submitted false information that the vehicle was covered by the required security.

Proposed law retains present law but requires that DPS&C revoke the registration, impound the vehicle and cancel the vehicle license plate of a vehicle not covered by security as required by the Motor Vehicle Safety Responsibility Law, and increases the minimum suspension to 12 months when the owner submits false information that the vehicle was covered by the required security.

Present law requires that DPS&C impose a reinstatement fee of \$25 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$100 for a period of 31 to 90 days, and a fee of \$200 for a period in excess of 90 days, and imposes the same fees when the registration has been revoked because the owner submitted false information that the vehicle was covered by the required security.

Proposed law retains present law but imposes a reinstatement fee of \$100 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$250 for a period of 31 to 90 days, and a fee of \$500 for a period in excess of 90 days. Proposed law also imposes a reinstatement fee of \$ 250 if a vehicle was not covered by the required security for a period of 1 to 31 days, a fee of \$500 for a period of 31 to 90 days, and a fee of \$1,000 for a period in excess of 90 days when the registration has been revoked because the owner submitted false information that the vehicle was covered by the required security in his application for registration or in his application for inspection.

Present law 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.

Proposed law removes the maximum amount of fees that can be owed by any person at the time of reinstatement.

Present law provides that DPS&C shall waive the sanctions and reinstatement fees for failure to maintain the required security when the owner furnishes evidence to DPS&C that the vehicle is currently covered by the required security.

Proposed law retains present law but requires that the required security have been continuous without lapse.

Present law requires a fine of not more than \$125 for the submission of false information that a vehicle was covered by the required security in an application for registration or an application for inspection, and a fine of not more than \$500 for knowingly operating a vehicle or allowing to be operated without the required security.

Proposed law retains present law but requires a minimum fine of \$500 and a maximum fine of \$1,000.

Present law requires a fine of not more than \$500, revocation of vehicle registration for 60 days, and suspension of driving privileges for 60 days imposed upon the owner of a vehicle involved in an accident in La. when not covered by the required security.

Proposed law retains present law but imposes a minimum fine of \$500 and a maximum fine of \$1,000, revocation of vehicle registration for 180 days, and suspension of driving privileges for 180 days.

Present law requires the secretary 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 retains present law, but provides that all monies collected pursuant to R.S. 22:863.2(E) and one-half of the monies collected pursuant to the other provisions of present law shall be appropriated to fund the creation and maintenance of a real-time system.

Provides that the provisions of proposed law become effective on February 1, 2015.

(Amends R.S. 32:862(G)(4), 863(A)(1) and (3)(a), and (B)(2)(b), 863.1(C)(1)(c), (D), and (I)(3), 863.2(E)(1), 864, and 865(A) and (B)(1); Adds R.S. 32:868)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill.

1. Made technical changes.
2. Removed provision of proposed law that provides for an increase in the reinstatement fee.
3. Removed provision of proposed law that provides relative to the notification of the cancellation or issuance of security and penalties.
4. Provided that the provisions of proposed law will become effective on February 1, 2015.