

SENATE BILL NO. 489

BY SENATOR EDMONDS

1 AN ACT

2 To amend and reenact R.S. 32:863.2(A)(1), (2), (3), (4) and (6), (B), (C), (E)(1) and (2),
3 (F)(1), (2), (4), (5), and (6), to enact R.S. 32:863.2(F)(7), relative to third party
4 inquiries on motor vehicle license plates; to authorize third parties to conduct
5 inquiries on motor vehicle license plates; to make technical changes; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 32:863.2(A)(1), (2), (3), (4) and (6), (B), (C), (E)(1) and (2), (F)(1),
9 (2), (4), (5), and (6) are hereby amended and reenacted and R.S. 32:863.2(F)(7) is hereby
10 enacted to read as follows:

11 §863.2. Notification of the cancellation or issuance of security; penalties; database
12 development

13 A.(1) All entities providing security in compliance with R.S. 32:861 et seq.,
14 hereinafter referred to as "security providers", whether admitted or nonadmitted
15 (surplus line underwriter) insurance companies providing automobile liability
16 policies, or sales representatives or agents of surety companies issuing motor vehicle
17 liability bonds, or the state treasurer holding deposits, shall notify the ~~secretary~~
18 **commissioner** of the effective dates of each liability policy, liability bond, deposit,
19 or other security within fifteen business days from the date that notice of such policy,
20 bond, deposit, or other security was issued by the security provider.

21 (2) Except as otherwise provided for motor carriers in R.S. 32:900(M), in
22 addition, all such security providers shall notify the ~~secretary~~ **commissioner** when
23 any policy, bond, deposit, or other item of security is terminated, withdrawn,
24 canceled, lapsed, or otherwise made ineffective within fifteen business days from the
25 date that notice of the security becoming ineffective was issued by the security
26 provider.

27 (3) Beginning January 1, 1990, the information required by this Section shall

1 be in the form required by the ~~secretary~~ **commissioner**, who may require by
2 regulation such information as the driver's license number of the owner or lessee of
3 the vehicle and of the named insureds, together with the complete vehicle
4 identification number and a description of each vehicle.

5 (4) The information required by this Section shall be in the form required by
6 the ~~secretary~~ **commissioner**, who may require by regulation such information as the
7 driver's license number of the owner or lessee of the vehicle and of the named
8 insureds, together with the complete vehicle identification number and description
9 of each vehicle.

10 * * *

11 (6) If any cancellation of a motor vehicle liability insurance policy occurs as
12 a result of the rescission or other cancellation of the sale of the motor vehicle on
13 which the policy is issued, the insurer shall notify the ~~secretary~~ **commissioner** of the
14 cancellation and the circumstances of the cancellation, and the insured shall not be
15 liable for any penalty or fee imposed for failure to maintain the security required by
16 law.

17 B. When a security provider does not provide the deputy secretary of public
18 safety services of the Department of Public Safety and Corrections with the
19 information required by this Section within the time limits set forth in this Section,
20 the insurance company, sales representative or agent, state treasurer, or other
21 provider shall pay a late fee of not more than fifty dollars per policy, bond, or
22 deposit, or other security item concerning which information is not supplied. If the
23 security provider has reported this information for a policy, bond, deposit, or other
24 security item for a commercial motor vehicle in an untimely manner, the deputy
25 ~~secretary~~ **commissioner** shall impose the late fee unless the deputy secretary
26 determines that the security provider made a good faith effort to comply with these
27 requirements but the delay was caused by circumstances outside the security
28 provider's control. All fees collected under this Subsection shall be deposited in the
29 Bond Security and Redemption Fund as provided in R.S. 32:853(B)(2).

30 C. The ~~secretary~~ **commissioner** shall keep a record of the information

1 received from security providers concerning coverage of vehicles and persons by
2 security required by R.S. 32:861, which information may be stored through
3 automated electronic data processing means. After the department has complete
4 vehicle liability security records, upon written request including the driver's license
5 number for each person, the vehicle identification number for each vehicle, and the
6 payment of a fee of fifteen dollars for each vehicle owned by a person about which
7 inquiry is made, the ~~secretary~~ **commissioner** shall forward to the inquiring party
8 such vehicle and driver liability security information as is contained in the records
9 of the department. If the department's search of its records fails to show the existence
10 of any liability insurance or other security as of the date about which inquiry is made,
11 an official of the department will issue a sworn, notarized affidavit to that effect.
12 Such an affidavit shall be prima facie evidence that on the date in question, the
13 person or vehicle about which inquiry was made did not have in effect a policy of
14 liability insurance or other security as required by law. The fee collected pursuant
15 to this Section shall be remitted by the ~~secretary~~ **commissioner** to the state treasurer
16 to be credited to the Bond Security and Redemption Fund as provided in R.S.
17 32:853(B)(2).

18 * * *

19 E.(1) Prior to taking any administrative action based on the receipt of a notice
20 of cancellation of insurance or other security, the ~~secretary~~ **commissioner** shall
21 notify the person who is the subject of the notice at his last known driver's license
22 address, of cancellation of the receipt of that notice. The notice of receipt of a notice
23 of cancellation shall be in writing. The notice shall inform the subject that he has ten
24 calendar days from the date of the notice in which he may surrender the license
25 plates of the vehicle in order to avoid the fees prescribed by R.S. 32:863(A)(3)(a).
26 The person to whom the notice is addressed shall have thirty days to respond to the
27 notice. The response may be made by mail.

28 (2) If the person to whom the notice is addressed is able to show that the
29 insurance or other security was canceled for a legitimate reason, the ~~secretary~~
30 **commissioner** shall take no administrative action against that person. Legitimate

1 reasons for cancellation of insurance or other security shall include but shall not be
2 limited to the transfer of ownership of the vehicle or the surrender of the license plate
3 of the formerly insured vehicle. If the vehicle is sold within ten calendar days after
4 the date liability security on the vehicle was cancelled or its license plate is
5 surrendered within ten calendar days of the date of notice sent pursuant to Paragraph
6 (1) of this Subsection, no administrative action shall be taken. The transfer of
7 ownership of the vehicle may be established by presenting to the ~~secretary~~
8 **commissioner** a copy of the title transfer or a copy of the act of sale, donation,
9 exchange, surrender to a salvage yard, or other transaction.

10 * * *

11 F.(1) The ~~secretary~~ **commissioner** shall formulate criteria to develop and
12 initiate a request for proposals to procure and implement a real-time system to
13 quickly and accurately identify and verify the existence of motor vehicle insurance
14 or other security required in compliance with the Motor Vehicle Safety
15 Responsibility Law using advanced telecommunications and computer technology.

16 (2) The criteria established by the ~~secretary~~ **commissioner** shall be developed
17 only after consulting with an advisory group consisting of the commissioner of
18 insurance or his designee, the superintendent of state police or his designee, the
19 executive director of the Louisiana Highway Safety Commission or his designee, and
20 five additional members, one representing the American Insurance Association, one
21 representing the Property Casualty Insurance Association of America, one selected
22 from a list of names submitted by the three insurers with the largest market share of
23 automobile insurance in Louisiana, one from the Louisiana Association of Fire and
24 Casualty Companies, and one from the Louisiana Independent Agents Association.

25 * * *

26 (4) The system developed pursuant to this Subsection may initially be
27 implemented by the ~~secretary~~ **commissioner** as a six-month pilot program to be
28 developed and implemented statewide upon expiration of the six-month period.

29 **(5)(a) The commissioner may authorize a third party vendor or**
30 **designated agent to conduct a motor vehicle registration plate inquiry at the**

1 request of law enforcement through the state insurance verification system. The
 2 authorization to conduct the plate inquiry shall be solely for the purpose of
 3 verifying compliance with motor vehicle liability insurance requirements as
 4 needed by law enforcement agencies.

5 **(b) Any violation of Subparagraph (a) of this Paragraph by a local**
 6 **government entity or law enforcement agency that requested and received**
 7 **authorization from the commissioner shall constitute malfeasance in office**
 8 **pursuant to R. S. 14:134, and may be used as grounds to initiate civil claims**
 9 **pursuant to the Louisiana Governmental Claims Act, R.S. 13:5101, et seq.**

10 (6) The ~~secretary~~ **commissioner** shall require such information as may be
 11 necessary from automobile insurers or their representatives and the state treasurer as
 12 is needed to assist the contractor in developing the system as such relates to the
 13 cancellation or issuance of motor vehicle liability security or deposit of sufficient
 14 security with the state treasurer in order to operate a motor vehicle in this state.

15 ~~(6)~~ (7) The ~~secretary~~ **commissioner** shall promulgate rules and regulations
 16 **in accordance with the Administrative Procedure Act** to implement the provisions
 17 of this Subsection.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____