

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

11 Be it enacted by the Legislature of Louisiana:

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

15 §862. Proof of compliance

16 * * *

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

18 * * *

19 (4) Whoever violates the provisions of this Subsection shall be fined not less
20 than seventy-five dollars, nor more than one thousand dollars, and shall be required

1 to perform not less than forty hours nor more than two hundred hours of community
2 service.

3 * * *

4 §863. Sanctions for false declaration; reinstatement fees; revocation of registration;
5 review

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

10 * * *

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

1 of ~~one~~ two hundred fifty dollars for a second offense, and a fine of five hundred
2 dollars for any subsequent offense.

3 * * *

4 §864. Criminal sanctions for false declaration

5 Any person, firm or corporation which violates R.S. 32:863(A)(2) shall be
6 guilty of a misdemeanor and upon conviction shall be fined not ~~more~~ less than ~~one~~
7 two hundred fifty ~~twenty-five~~ dollars, nor more than five hundred dollars, or
8 imprisoned for a period of not more than thirty days.

9 §865. Criminal sanctions for operating motor vehicle not covered by security

10 A. Any person knowingly operating a motor vehicle and any owner allowing
11 a motor vehicle to be operated, when such motor vehicle is not covered by the
12 security required under R.S. 32:861 shall, upon conviction, be fined not ~~more~~ less
13 than five hundred dollars, nor more than one thousand dollars.

14 B.(1) If the vehicle is in any manner involved in an accident within this state,
15 when such motor vehicle is not covered by the security required under R.S. 32:861,
16 the owner thereof shall, upon conviction, be fined not ~~more~~ less than five hundred
17 dollars, nor more than one thousand dollars, shall have the registration of the vehicle
18 revoked for a period of ~~sixty~~ one hundred eighty days, and shall have his driving
19 privileges suspended for a period of ~~sixty~~ one hundred eighty days.

20 * * *

21 §868. Funding of real-time system to verify motor vehicle insurance

22 Of the sanctions assessed in R.S. 32:863(A)(3)(a), an amount of seventy-five
23 dollars for each sanction levied for lack of required security up to thirty days, one
24 hundred fifty dollars from each sanction levied for lack of required security between
25 thirty-one days and ninety days, and three hundred dollars from each sanction levied
26 for lack of security for in excess of ninety days shall be used first to fully fund the
27 creation and maintenance of the real-time system to verify motor vehicle insurance
28 authorized by R.S. 32:863.2(F). Any excess fees remaining shall be retained by the
29 office of motor vehicles to fund its operations.

1 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 \$500 for violation of the Motor Vehicle Safety Responsibility Law.

Proposed law additionally requires that the fine be no less than \$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. Provides that such revocation be for a minimum of six months and a maximum of 18 months.

Proposed law increases the minimum suspension to 12 months when the owner submits false information that the vehicle was covered by the required security. Retains 18-month maximum.

Present law requires a reinstatement fee of \$25 if a vehicle was not covered by the required security for a period of one 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.

Proposed law increases the reinstatement fee to \$50 if a vehicle was not covered by the required security for a period of one to 31 days, \$150 for a period of 31 to 90 days, and \$300 for a period in excess of 90 days. Proposed law also increases reinstatement fees for a first violation of providing false information from \$25 to \$125; a second violation from \$100 to \$200; and a third or subsequent violation from \$200 to \$400.

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.

Present law provides that sanctions and reinstatement fees for failure to maintain the required security may be waived when the owner furnishes evidence that the vehicle is currently covered by the required security.

Proposed law requires that the required security be continuous without lapse.

Present law requires an owner to have certain documents proving security coverage. Proposed law increases penalties for lack of such proof as follows: from \$50 to \$100 for a first offense; from \$150 to \$250 for a second offense; and retains present law of \$500 for a third or subsequent offense.

Present law provides criminal sanctions for false declaration of meeting surety requirements. Proposed law increases those sanctions from not more than \$125 to between \$250 and \$500.

Present law provides criminal sanctions for knowingly operating a vehicle without the required surety. Proposed law increases those sanctions from not more than \$500 to between \$500 and \$1,000.

Present law provides criminal sanctions for a vehicle not covered by the required surety that is involved in an accident. Proposed law increases those sanctions from not more than \$500 and registration and license revocation of 60 days to between \$500 and \$1,000 and registration and license revocation 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 provides that a portion of the monies collected from each set of sanctions 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(I)(3), 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.

House Floor Amendments to the engrossed bill.

1. Reduce the increases in the sanctions.
2. Provide that a portion of the monies collected from each sanction imposed be dedicated to creation and operation of the real-time verification system.