

2016 Regular Session

SENATE BILL NO. 400

BY SENATOR BARROW

MOTOR VEHICLES. Provides debt amnesty program to individuals for excessive debt due the office of motor vehicles. (8/1/16)

1 AN ACT

2 To enact R.S. 32:9, relative to motor vehicles; to require the office of motor vehicles to
3 establish a debt amnesty program; to provide for an amnesty period; to provide the
4 terms and conditions applicable to the program; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 32:9 is hereby enacted to read as follows:

7 **§9. Amnesty program; office of motor vehicles**

8 **A. The office of motor vehicles shall develop and implement a debt**
9 **amnesty program to collect debt for fines, penalties, and fees due to the office**
10 **of motor vehicles as defined in R.S. 32:8. The office shall publicize the debt**
11 **amnesty program to maximize the public's awareness of and participation in**
12 **the program.**

13 **B. The debt amnesty program shall be effective for a period of at least**
14 **two months duration in 2016 occurring prior to December 31, 2016.**

15 **C. The debt amnesty program shall apply to all debt due to the**
16 **Department of Public Safety and Corrections, office of motor vehicles, pursuant**
17 **to R.S. 32:863, including debt transferred to the Department of Revenue, office**

1 of debt recovery, or the attorney general for collection, on the effective date of
2 this Section.

3 D. Debtors with debt in the amount of one thousand dollars or more are
4 eligible to participate in the debt amnesty program. Amnesty debt payments
5 shall be paid in full during the amnesty period.

6 (1)(a) The amnesty debt payment for fees charged for alleged violations
7 of R.S. 32:863(A)(1) that occurred on or before June 30, 2014, shall not exceed
8 fifty dollars per violation and at no time shall the total amnesty debt payment
9 for alleged multiple violations, including administrative and collection fees,
10 exceed five hundred dollars, when the debtor pays the debt in full during the
11 amnesty period and provides proof of insurance on any vehicle registered in the
12 debtor's name on the date of the amnesty debt payment.

13 (b) The amnesty debt payment for fees charged for alleged violations of
14 R.S. 32:863(A)(1) that occurred on or after July 1, 2014, shall not exceed one
15 hundred dollars per violation and at no time shall the total amount of debt for
16 fees, including administrative and collection fees, exceed eight hundred fifty
17 dollars, when the debtor pays the debt in full during the amnesty period and
18 provides proof of insurance on any vehicle registered in the debtor's name on
19 the date of the amnesty debt payment.

20 (c) The amnesty debt payment for fees charged for alleged violations of
21 R.S. 32:863(A)(2) that occurred on or before June 30, 2014, shall not exceed fifty
22 dollars per violation and at no time shall the total amnesty debt payment for
23 alleged multiple violations, including administrative and collection fees, exceed
24 five hundred dollars, when the debtor pays the debt in full during the amnesty
25 period and provides proof of insurance on any vehicle registered in the debtor's
26 name on the date of the amnesty debt payment.

27 (d) The amnesty debt payment for fees charged for alleged violations of
28 R.S. 32:863(A)(2) that occurred on or after July 1, 2014, shall not exceed one
29 hundred dollars per violation and at no time shall the total amount of debt for

1 fees, including administrative and collection fees, exceed one thousand seven
2 hundred fifty dollars, when the debtor pays the debt in full during the amnesty
3 period and provides proof of insurance on any vehicle registered in the debtor's
4 name on the payment date of the amnesty debt.

5 (2)(a) No amnesty payment for debt of a person sixty-five years or older
6 for alleged violations that occurred on or before June 30, 2014, including
7 administrative and collection fees, shall exceed two hundred dollars.

8 (b) No amnesty payment for debt of a person sixty-five years or older for
9 alleged violations that occurred on or after July 1, 2014, including
10 administrative and collection fees, shall exceed two hundred fifty dollars.

11 (3)(a) No amnesty payment for a debtor who has alleged violations of
12 R.S. 32:863(A)(1) that occurred on or before June 30, 2014, and on or after
13 July 1, 2014, including administrative and collection fees, shall exceed one
14 thousand three hundred fifty dollars.

15 (b) No amnesty payment of a debtor who has alleged violations of R.S.
16 32:863(A)(2) that occurred on or before June 30, 2014, and on or after July 1,
17 2014, including administrative and collection fees, shall exceed two thousand
18 two hundred dollars.

19 E. Upon receipt of the amnesty payment, the office of motor vehicles
20 shall clear the debtor's record at the office of motor vehicles and reinstate the
21 debtor's driver's license and motor vehicle registration.

22 F.(1) Prior to January 1, 2017, the office of motor vehicles shall develop
23 a debt amnesty program for collection of debts for failure to pay a fee pursuant
24 to either R.S. 32:57.1 or 863.1 and shall present such program for approval to
25 the House and Senate committees on transportation, highways, and public
26 works.

27 (2) Notwithstanding any provision of law to the contrary, prior to July 1,
28 2017, the office of motor vehicles shall take no action to refer to the office of
29 debt recovery any debt which arises from a debtor's failure to pay a fee

1 **pursuant to either R.S. 32:57.1 or 863.1 when the debt was incurred prior to the**
 2 **effective date of the Act which originated as Senate Bill No. 400 of the 2016**
 3 **Regular Session of the Legislature.**

The original instrument was prepared by Sharon F. Lyles. The following digest, which does not constitute a part of the legislative instrument, was prepared by Leonore F. Heavey.

DIGEST

SB 400 Engrossed

2016 Regular Session

Barrow

Proposed law requires the office of motor vehicles (OMV) to develop and implement a debt amnesty program for a period of at least two months duration in 2016 that occurs prior to December 31, 2016, and to collect debt for fines, penalties, and fees due the OMV as defined in R.S. 32:8 for violations R.S. 32:863 (no insurance). Requires the office to publicize the debt amnesty program to maximize the public's awareness of and participation in the program.

Proposed law provides that OMV debtors with debt incurred under R.S. 32:863 are eligible to participate in the debt amnesty program. Requires amnesty debt payments to be paid in full during the amnesty period and provides the following schedule of amnesty debt payments.

- (1) For debt for violation or for multiple violations of R.S. 32:863(A)(1) before July 1, 2014, the per violation amnesty payment will be \$50 and the total amnesty debt payment due shall not exceed \$500.
- (2) For debt for violation or for multiple violations of R.S. 32:863(A)(1) on or after July 1, 2014, the per violation amnesty payment will be \$100 and the total amnesty debt payment due shall not exceed \$850.
- (3) For debt for violation or for multiple violations of R.S. 32:863(A)(2) before July 1, 2014, the per violation amnesty payment will be \$50 and the total amnesty debt payment due shall not exceed \$500.
- (4) For debt for violation or for multiple violations of R.S. 32:863(A)(2) on or after July 1, 2014, the per violation amnesty payment will be \$100 and the total amnesty debt payment due shall not exceed \$1,750.
- (5) No amnesty debt payment for debt of a person 65 years or older for multiple violations of R.S. 32:863(A)(1) and (2) before July 1, 2014, including administrative fees, shall exceed \$200.
- (6) No amnesty debt payment for debt of a person 65 years or older for multiple violations of R.S. 32:863(A)(1) and (2) on or after July 1, 2014, including administrative fees, shall exceed \$250.

Proposed law requires the OMV to clear the debtor's record and reinstate his driver's license and motor vehicle registration upon receipt of the amnesty payment.

Proposed law requires OMV to propose an amnesty program for violations of R.S. 32:57.1 (failure to honor a promise) and R.S. 32:863.1 (no evidence of insurance) to be approved by the House and Senate committees on transportation, highways, and public works by January 1, 2017.

Proposed law prohibits OMV from pursuing collection of fines for violations of R.S. 32:57.1 and R.S. 32:863.1 until July 1, 2017.

Effective August 1, 2016.

(Adds R.S. 32:9)

Summary of Amendments Adopted by Senate

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

1. Limits the amnesty program to violations of R.S. 32:863 (no insurance).
2. Provides for different per violation and total amnesty caps for violations before July 1, 2014, penalty rate increase and for violations on or after July 1, 2014.
3. Requires OMV to propose an amnesty program for fines for failure to appear and no evidence of insurance.
4. Prohibits collection action on fines for failure to appear and no evidence of insurance until July 1, 2017.