SLS 16RS-3396 ORIGINAL

2016 Regular Session

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SENATE CONCURRENT STUDY REQUEST NO. 3

BY SENATOR BARROW

COMMITTEE STUDIES. Requests legislative committees on transportation, highways, and public works to study the administration and collection of fees by the office of motor vehicles.

A CONCURRENT STUDY REQUEST

## 2 To the Senate Committee on Transportation, Highways, and Public Works and the House Committee on Transportation, Highways, and Public Works to function as a joint 3 committee to study the assessment and collection of fees due to the office of motor 4 5 vehicles. WHEREAS, the Department of Public Safety and Corrections, office of motor 6 7 vehicles, records indicate over one million uncleared motor vehicle liability security 8 cancellations dating from 1986 to the present, with seventeen percent of these violations 9 occurring over ten years ago; and 10 WHEREAS, the fines for these violations have been revised by law several times 11 since 1986 and were significantly increased effective July 1, 2014, by Act No. 641 of the 2014 Regular Session of the Legislature; and 12 13 WHEREAS, regardless of the date of the violation for failure to maintain compulsory 14 motor vehicle liability security, the fees being charged by the office of motor vehicles are based on the maximum fee provided for in the 2014 fee schedule; and 15 16 WHEREAS, over one hundred twenty-five thousand of the driving records with uncleared motor vehicle liability security cancellations have total fees in excess of one 17 thousand dollars; and 18

1	WHEREAS, the office of motor vehicles reached back to 1986, a period of thirty
2	years, to pursue debt collections; and
3	WHEREAS, insured motorists are required only to retain documentation regarding
4	their automobile liability insurance for three years; and
5	WHEREAS, the legislature recognizes the critical importance of the driving public
6	maintaining motor vehicle liability security and also that the fee structure for failure to
7	maintain minimum security should discourage violations; and
8	WHEREAS, the legislature further recognizes that any fee structure for failure to
9	maintain security cannot be so onerous that the average citizen is unable to pay; and
10	WHEREAS, the office of motor vehicles avers that it is not authorized to forgive or
11	compromise any debt owed, regardless of the time period elapsed since the noncompliance
12	occurred or the age of the debt; and
13	WHEREAS, prior to the authorization provided for in Act No. 414 of the 2015
14	Regular Session of the Legislature, the collection of these fees owed to the state was
15	dependent upon customer compliance following the initial notice from the office of motor
16	vehicles; and
17	WHEREAS, the office of motor vehicles began to refer debt for reinstatement fees
18	as a result of violations of the requirement to maintain compulsory motor vehicle liability
19	security to the Department of Revenue, office of debt recovery, in November 2015; and
20	WHEREAS, there has been a public outcry and numerous constituent complaints and
21	concerns regarding the fees and fee notices; and
22	WHEREAS, legislation addressing these issues was introduced during the 2016
23	Regular Session of the Legislature; and
24	WHEREAS, in the future, the office of motor vehicles will begin collection efforts
25	for other violations, including failure to appear violations, false declaration violations, and
26	proof of insurance violations, and its collection practices regarding these matters may give
27	rise to similar concerns; and
28	WHEREAS, Senate Bill No. 400 of the 2016 Regular Session of the Legislature
29	would have provided a debt amnesty program that would have significantly reduced the
30	reinstatement fee for affected motorists; and

1	WHEREAS, the bill was deferred in order to study and obtain additional necessary
2	information on these issues and the potential effects.
3	THEREFORE, the Legislature of Louisiana requests that the Senate Committee on
4	Transportation, Highways, and Public Works and the House Committee on Transportation,
5	Highways, and Public Works conduct a study jointly to consider the following:
6	(1) Whether some form of amnesty program is appropriate to assist Louisiana
7	citizens to clear their past due debt, and, if so, the particular requirements of such program,
8	including what the payment provisions and the reinstatement fees should be under an
9	amnesty program.
10	(2) Whether the office of motor vehicles should be granted the authority to
11	compromise past due obligations, and, if so, what the parameters of its compromise authority
12	should be.
13	(3) The length of time that office of motor vehicles should be able to pursue final
14	debt.
15	(4) The efficacy of the office of motor vehicles' current notification system to
16	individuals whose vehicle security coverage lapses.
17	(5) The appropriate time period that security providers and insureds should be
18	required to retain documentation regarding vehicle security.
19	(6) Any other related matters involving the assessment and collection of any fee
20	imposed by the office of motor vehicles, including the form of notice to debtors and
21	prescriptive period applicable to the debt.
22	The Senate Committee on Transportation, Highways, and Public Works and the
23	House Committee on Transportation, Highways, and Public Works shall develop
24	recommendations to be submitted to the legislature on or before February 1, 2017.
25	A copy of this Study Request shall be transmitted to the commissioner of the
26	Department of Public Safety and Corrections, office of motor vehicles, and the secretary of
27	the Department of Revenue.

SLS 16RS-3396 ORIGINAL SCSR NO. 3

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST 2016 Regular Session

SCSR 3 Original

Barrow

Requests Senate and House committees on transportation, highways, and public works study the assessment and collection of fees due to the office of motor vehicles and related matters.