

2020 First Extraordinary Session

SENATE CONCURRENT RESOLUTION NO. 3

BY SENATOR ROBERT MILLS AND REPRESENTATIVE MCFARLAND

INSURANCE RATES. Creates the Task Force on Log Truck and Agriculture Vehicle Liability Insurance.

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A CONCURRENT RESOLUTION

To create the Task Force on Log Truck and Agriculture Vehicle Liability Insurance to study the limitations on insurance options and the impediments to affordable automobile liability insurance for log trucks and agriculture vehicles and to make recommendations with respect to reducing or eliminating those limitations and impediments.

WHEREAS, timber and agriculture have traditionally been among the economic cornerstones of rural Louisiana, where logging, wood products, and farming companies are often the largest employers in rural towns; and

WHEREAS, in many rural parishes, the forestry sector represents the largest part of the economic base; and

WHEREAS, according to the Louisiana Department of Agriculture, the Louisiana timber industry generated in excess of two hundred fifty million dollars in state and local taxes last year; and

WHEREAS, timber is the only agricultural product which is taxed at harvest; and

WHEREAS, the timber severance tax amounted to sixteen million dollars last year, with seventy-five percent of the tax being allocated to the governing authority of the parish within which the severance or production occurred; and

1 WHEREAS, in recent years, a lack of affordable insurance for log trucks in
2 Louisiana has become a crisis, with many logging businesses closing their doors and others
3 moving to Arkansas, Mississippi, and Texas to be able to purchase affordable log truck
4 insurance; and

5 WHEREAS, the loss of logging companies in Louisiana's rural areas has created a
6 negative ripple effect, with mills not being able to receive enough Louisiana timber to
7 operate efficiently, and landowners being reluctant to plant timber because of the increased
8 costs of log truck insurance which is being passed on to landowners in the form of reduced
9 stumpage prices and to mills in the form of higher delivered prices; and

10 WHEREAS, the preservation and maintenance of a viable timber industry is critical
11 to the well-being of the economy of rural Louisiana; and

12 WHEREAS, sugarcane, cotton, rice, soybeans, corn, and other agriculture producing
13 farms are some of the oldest businesses in many rural parishes; and

14 WHEREAS, insurance rates for agriculture vehicles are higher in Louisiana than
15 other states, and a study is necessary to determine if the affordability of agriculture vehicle
16 insurance should be addressed by the legislature; and

17 WHEREAS, a task force is the best vehicle to study and make recommendations
18 regarding legislation that would increase the number of insurance options and reduce or
19 eliminate the impediments to affordable automobile liability insurance for log trucks and
20 agriculture vehicles.

21 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby creates
22 the Task Force on Log Truck and Agriculture Vehicle Liability Insurance to study the
23 limitations on insurance options and the impediments to affordable automobile liability
24 insurance for log trucks and agriculture vehicles and to make recommendations with respect
25 to reducing or eliminating those limitations and impediments.

26 BE IT FURTHER RESOLVED that the task force shall be comprised of the
27 following members:

28 (1) One senator appointed by the president of the Senate who shall serve as the
29 chairman.

30 (2) The chairman of the Senate Committee on Agriculture, Forestry, Aquaculture,

1 and Rural Development, or his designee from the membership of the committee.

2 (3) The chairman of the House Committee on Agriculture, Forestry, Aquaculture, and
3 Rural Development, or his designee from the membership of the committee.

4 (4) The president pro tempore of the Senate, or his designee.

5 (5) The speaker pro tempore of the House of Representatives, or his designee.

6 (6) The vice chairman of the Senate Committee on Finance, or his designee.

7 (7) The commissioner of agriculture and forestry, or his designee.

8 (8) The commissioner of insurance, or his designee.

9 (9) One member appointed by Louisiana Forestry Association.

10 (10) One member appointed by the Louisiana Loggers Association.

11 (11) One member appointed by the Louisiana Logging Council.

12 (12) One member appointed by the Louisiana Farm Bureau.

13 (13) One member appointed by the Louisiana Association of Justice.

14 (14) One member appointed by the Independent Insurance Agents and Brokers of
15 Louisiana.

16 (15) One member appointed by the American Property Casualty Insurance
17 Association.

18 (16) One member who represents timber mills appointed by the Louisiana chapter
19 of the National Federation of Independent Businesses.

20 (17) One member who represents land owners that grow or manage timber for timber
21 production appointed by the Louisiana Association of Business and Industry.

22 (18) One member appointed by the National Association of Mutual Insurance
23 Companies.

24 BE IT FURTHER RESOLVED that task force members shall serve without
25 compensation or reimbursement of expenses, other than what may be afforded by their
26 appointing authority, and legislative members of the task force shall receive the same per
27 diem and reimbursement of travel expenses as provided for attendance at legislative
28 committee meetings under the rules of the respective house in which they serve.

29 BE IT FURTHER RESOLVED that the names of the appointees to the task force
30 shall be submitted to the president of the Senate by August 15, 2020.

1 BE IT FURTHER RESOLVED that a majority of the membership of the task force
2 constitutes a quorum and that if all task force members have not been appointed by
3 September 1, 2020, a majority of the appointed membership shall constitute a quorum until
4 additional appointments are made.

5 BE IT FURTHER RESOLVED that no later than February 15, 2021, the task force
6 shall prepare and submit a written report of its findings and recommendations to the
7 legislature.

8 BE IT FURTHER RESOLVED that the task force will terminate on
9 February 15, 2021.

The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by LG Sullivan.

DIGEST

SCR 3 Engrossed

2020 First Extraordinary Session

Robert Mills

Creates the Task Force on Log Truck and Agriculture Vehicle Liability Insurance to study the limitations on insurance options and the impediments to affordable automobile liability insurance for log trucks and agriculture vehicles and to make recommendations with respect to reducing or eliminating those limitations and impediments to the legislature no later than February 15, 2021.

Provides that the task force will terminate on February 15, 2021.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to original bill

1. Add a member appointed by the National Association of Mutual Insurance Companies.