

**ACT No. 641**

Regular Session, 2014

HOUSE BILL NO. 872

BY REPRESENTATIVE IVEY

1 AN ACT

2 To amend and reenact R.S. 32:862(G)(4), 863(A)(1) and (3)(a) and (b)(I), and (B)(2)(b),  
3 863.1(C)(1)(c) and (I)(3), 864, and 865(A) and (B)(1), to enact R.S. 32:868, and to  
4 repeal the Act that originated as House Bill No. 851 of the 2014 Regular Session of  
5 the Louisiana Legislature, relative to increasing the penalties for operating a motor  
6 vehicle without the required motor vehicle liability security; to require increased  
7 penalties for failing to provide required proof of compliance; to require suspension,  
8 revocation, or cancellation of driver's license and registration for violations; to  
9 remove limits on the maximum amount of penalties and reinstatement fees that are  
10 assessed; to create the Insurance Verification System Fund and to dedicate revenue  
11 from the increased penalties to the fund; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

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

16 §862. Proof of compliance

17 \* \* \*

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

19 \* \* \*

20 (4) Whoever violates the provisions of this Subsection shall be fined not less  
21 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~~, in this Section, when the secretary  
7 determines that a vehicle is not covered by security as required by this Chapter or  
8 that the owner or lessee has allowed the required security to lapse, he shall revoke  
9 the registration of the vehicle, impound the vehicle, ~~or and~~ cancel the vehicle's  
10 license plate.

11 \* \* \*

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

1 for an alleged violation of Paragraph (2) of this Subsection when proof of the  
 2 required security is provided to the secretary. If at the time of reinstatement a person  
 3 has multiple violations, the total amount of fees to be paid shall not exceed ~~five~~  
 4 eight hundred fifty dollars, ~~including any administrative fees for persons under sixty-~~  
 5 ~~five years old~~ for violations of Paragraph(1) of this Subsection, one thousand  
 6 seventy-five dollars for violations of Paragraph(2) of this Subsection. At no time  
 7 shall the total amount of fees, including administrative fees, exceed two hundred  
 8 fifty dollars for persons sixty-five years or older.

9 (b)

10 \* \* \*

11 (I) Notwithstanding any other provision of this Chapter to the contrary,  
 12 except for R.S. 32:868, and after satisfying the requirements of the Bond Security  
 13 and Redemption Fund, thirty-six percent of the revenues from the reinstatement fees  
 14 shall be used as provided by law for the construction, maintenance, and operating  
 15 expenses of new capital immovables and related movables.

16 \* \* \*

17 B. The sanctions of Paragraph (A)(1) of this Section shall not be imposed,  
 18 and any fine, fee, or other monetary sanction which has been remitted to the  
 19 secretary pursuant to the sanctions of this Section, specifically including any  
 20 reinstatement fee paid pursuant to Paragraph (A)(3) of this Section and any fee paid  
 21 pursuant to Paragraph (D)(5) of this Section, shall be promptly refunded by the  
 22 secretary to the person who paid it, if the owner or lessee furnishes any of the  
 23 following:

24 \* \* \*

25 (2) If such evidence is not furnished by the owner or lessee, any other  
 26 evidence satisfactory to the secretary, that each of the following conditions are met:

27 \* \* \*

28 (b) The vehicle is currently covered by security as required by R.S. 32:861  
 29 and that the required security has been continuous without lapse.

30 \* \* \*

1 §863.1. Evidence of compulsory motor vehicle liability security contained in  
2 vehicle; enforcement; penalty; fees

3 \* \* \*

4 C.(1)

5 \* \* \*

6 (c) For a first offense there shall be a reinstatement fee of  ~~fifty~~ one hundred  
7 dollars, for a second offense there shall be a reinstatement fee of  ~~one~~ two hundred  
8 fifty dollars, and for any subsequent offense there shall be a reinstatement fee of five  
9 hundred dollars. The reinstatement fee contained herein shall be in addition to other  
10 appropriate registration fees allowed by law and reinstatement shall depend upon  
11 proof of compliance with the compulsory liability law.

12 \* \* \*

13 I.

14 \* \* \*

15 (3) If the owner fails to provide the proof required in Paragraph (2); of this  
16 Subsection, there shall be a fine of  ~~fifty~~ one hundred dollars for a first offense, a fine  
17 of  ~~one~~ two hundred fifty dollars for a second offense, and a fine of five hundred  
18 dollars for any subsequent offense.

19 \* \* \*

20 §864. Criminal sanctions for false declaration

21 Any person, firm or corporation which violates R.S. 32:863(A)(2) shall be  
22 guilty of a misdemeanor and upon conviction shall be fined not  ~~more~~ less than  ~~one~~   
23 five hundred twenty five dollars, nor more than one thousand dollars, or imprisoned  
24 for a period of not more than thirty days.

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

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

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

7   \*       \*       \*

8           §868. Funding of real-time system to verify motor vehicle insurance; Insurance  
 9           Verification Fund; creation

10           A. Of the reinstatement fees assessed in R.S. 32:863(A)(3)(a), an amount of  
 11           seventy-five dollars from each reinstatement fee levied for lack of required security  
 12           up to thirty days, one hundred fifty dollars from each reinstatement fee levied for  
 13           lack of required security between thirty-one days and ninety days, and three hundred  
 14           dollars from each reinstatement fee levied for lack of security for in excess of ninety  
 15           days, and of the reinstatement fees assessed in R.S. 32:863.1(C)(1)(c) and (D)(3) an  
 16           amount of fifty dollars from each first offense and one hundred dollars from each  
 17           second offense, shall be, after first having been credited to the Bond Security and  
 18           Redemption Fund as required by Article VII, Section 9(B) of the Louisiana  
 19           Constitution, deposited into the Insurance Verification System Fund.

20           B. There is hereby created in the state treasury the Insurance Verification  
 21           System Fund, hereinafter referred to as the "fund". Monies in the fund shall be  
 22           invested in the same manner as monies in the state general fund. Interest earned on  
 23           investment of monies in the fund shall be deposited in and credited to the fund. The  
 24           monies in this fund shall be used solely as provided for in this Section and only in  
 25           the amounts appropriated by the legislature. Unexpended and unencumbered monies  
 26           in the fund shall remain in the fund. Monies in the fund shall be used in amounts  
 27           appropriated by the legislature as follows:

- 28                           (1) For Fiscal Year 2014-2015, monies in the fund shall be used as follows:  
 29                           (a) First, to fully fund the creation and maintenance of the real-time system  
 30                           to verify motor vehicle insurance authorized by R.S. 32:863.2(F).

1                   **(b) The next forty-two million dollars shall be dedicated to the Department**  
 2                   **of Public Safety and Corrections, office of state police.**

3                   **(c) The remainder of deposits shall be used for public safety and law**  
 4                   **enforcement purposes.**

5                   **(2) For Fiscal Year 2015-2016 and each fiscal year thereafter, monies in the**  
 6                   **fund shall be used as follows:**

7                   **(a) First, to fully fund the annual maintenance of the real-time system to**  
 8                   **verify motor vehicle insurance authorized by R.S. 32:863.2(F).**

9                   **(b) The next forty-two million dollars per year shall be dedicated to the**  
 10                   **Department of Public Safety and Corrections, office of state police.**

11                   **(c) In the event House Bill No. 562 of the 2014 Regular Session of the**  
 12                   **Legislature is enacted into law, the next seven million dollars per year shall be used**  
 13                   **to fund the housing of parolees who are detained in sheriffs' jails pending their**  
 14                   **revocation hearing as provided in R.S. 15:824(B)(1)(e)(ii).**

15                   **(d) The next one million dollars per year shall be used to provide additional**  
 16                   **funding to district attorneys and assistant district attorneys, specifically to fund**  
 17                   **additional assistant district attorneys beginning in 2015.**

18                   **(e) The remainder of monies in the fund shall be used for public safety and**  
 19                   **law enforcement purposes.**

20                   **(3) Funds from the Insurance Verification System Fund shall not be used to**  
 21                   **pay any costs associated with the implementation of a system for the issuance of**  
 22                   **REAL ID compliant drivers' licenses and special identification cards.**

23                   Section 2. The Act that originated as House Bill No. 851 of the 2014 Regular  
 24                   Session of the Louisiana Legislature is hereby repealed in its entirety.

1 Section 3. This Act shall become effective July 1, 2014.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_