

SENATE CONCURRENT STUDY REQUEST NO. 3

BY SENATOR BARROW

A CONCURRENT STUDY REQUEST

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 committee to study the assessment and collection of fees due to the office of motor vehicles.

WHEREAS, the Department of Public Safety and Corrections, office of motor vehicles, records indicate over one million uncleared motor vehicle liability security cancellations dating from 1986 to the present, with seventeen percent of these violations occurring over ten years ago; and

WHEREAS, the fines for these violations have been revised by law several times since 1986 and were significantly increased effective July 1, 2014, by Act No. 641 of the 2014 Regular Session of the Legislature; and

WHEREAS, regardless of the date of the violation for failure to maintain compulsory 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

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 thousand dollars; and

WHEREAS, the office of motor vehicles reached back to 1986, a period of thirty years, to pursue debt collections; and

WHEREAS, insured motorists are required only to retain documentation regarding their automobile liability insurance for three years; and

WHEREAS, the legislature recognizes the critical importance of the driving public maintaining motor vehicle liability security and also that the fee structure for failure to maintain minimum security should discourage violations; and

WHEREAS, the legislature further recognizes that any fee structure for failure to maintain security cannot be so onerous that the average citizen is unable to pay; and

WHEREAS, the office of motor vehicles avers that it is not authorized to forgive or compromise any debt owed, regardless of the time period elapsed since the noncompliance occurred or the age of the debt; and

WHEREAS, prior to the authorization provided for in Act No. 414 of the 2015 Regular Session of the Legislature, the collection of these fees owed to the state was dependent upon customer compliance following the initial notice from the office of motor vehicles; and

WHEREAS, the office of motor vehicles began to refer debt for reinstatement fees as a result of violations of the requirement to maintain compulsory motor vehicle liability security to the Department of Revenue, office of debt recovery, in November 2015; and

WHEREAS, there has been a public outcry and numerous constituent complaints and concerns regarding the fees and fee notices; and

WHEREAS, legislation addressing these issues was introduced during the 2016 Regular Session of the Legislature; and

WHEREAS, in the future, the office of motor vehicles will begin collection efforts for other violations, including failure to appear violations, false declaration violations, and proof of insurance violations, and its collection practices regarding these matters may give rise to similar concerns; and

WHEREAS, Senate Bill No. 400 of the 2016 Regular Session of the Legislature would have provided a debt amnesty program that would have significantly reduced the reinstatement fee for affected motorists; and

WHEREAS, the bill was deferred in order to study and obtain additional necessary information on these issues and the potential effects.

THEREFORE, the Legislature of Louisiana requests that the Senate Committee on Transportation, Highways, and Public Works and the House Committee on Transportation, Highways, and Public Works conduct a study jointly to consider the following:

(1) Whether some form of amnesty program is appropriate to assist Louisiana citizens to clear their past due debt, and, if so, the particular requirements of such program, including what the payment provisions and the reinstatement fees should be under an amnesty program.

(2) Whether the office of motor vehicles should be granted the authority to compromise past due obligations, and, if so, what the parameters of its compromise authority should be.

(3) The length of time that office of motor vehicles should be able to pursue final debt.

(4) The efficacy of the office of motor vehicles' current notification system to individuals whose vehicle security coverage lapses.

(5) The appropriate time period that security providers and insureds should be required to retain documentation regarding vehicle security.

(6) Any other related matters involving the assessment and collection of any fee imposed by the office of motor vehicles, including the form of notice to debtors and prescriptive period applicable to the debt.

The Senate Committee on Transportation, Highways, and Public Works and the House Committee on Transportation, Highways, and Public Works shall develop recommendations to be submitted to the legislature on or before February 1, 2017.

A copy of this Study Request shall be transmitted to the commissioner of the Department of Public Safety and Corrections, office of motor vehicles, and the secretary of the Department of Revenue.