

SENATE BILL NO. 476

BY SENATOR GARY SMITH

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AN ACT

To enact R.S. 40:1462 and 1463, relative to driver training; to provide for bond requirements; to provide for cease and desist orders; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:1462 and 1463 are hereby enacted to read as follows:

**§1462. Bond requirement**

**A. Each private driving school shall execute a good and sufficient surety bond with a surety company qualified to do business in Louisiana as surety, in the sum of forty thousand dollars, if such surety bond is available for purchase. Such bond shall name the Department of Public Safety and Corrections, office of motor vehicles, as obligee and shall be subject to the condition that, if the private driving school or any of the private driving school's instructors fail to perform any services the school agreed to provide to a student or a student's parent, that student, or the parent in case the student is a minor, may recover the private driving school fees from the bond by filing a claim through the department against the bond. If the company fails to meet the conditions of the bond, the obligation of the surety shall remain in full force and effect. A private driving school with multiple locations shall furnish only a single forty thousand dollar surety bond.**

**B. The surety bond furnished as required in this Section shall be delivered to and filed with the Department of Public Safety and Corrections, office of motor vehicles.**

**§1463. Cease and desist orders**

**A. It shall be unlawful for any person to operate a driving school or to**

1 offer instruction as a driving school instructor unless both the school and the  
2 instructor are currently licensed as a driving school by the department, or for  
3 a licensed driving school to engage in any prohibited activity.

4 B. For the purpose of this Section, "prohibited activity" means:

5 (1) Activity normally conducted by a driving school such as classroom  
6 instruction, behind the wheel instruction, issuing certificates of successful  
7 completion to be used by an applicant to apply for a driver's license, advertising  
8 as a licensed, authorized, or approved driving school, or holding oneself out as  
9 an authorized or approved driving school or instructor without a license,  
10 authorization, or approval by the department.

11 (2) Activity conducted by a driving school or an instructor, whether  
12 licensed or not, in which a student of the school is requested to go to, or is taken  
13 to, a hotel room, a private residence, or any other location not appropriate for  
14 a person of the student's age.

15 C. The Department of Public Safety and Corrections, office of motor  
16 vehicles may issue a cease and desist order to any person or business which is  
17 operating in violation of this Section. Any such cease and desist order shall be  
18 served either by regular mail with a proof of mailing issued by the United States  
19 Postal Service, or by hand delivery by a representative of the department. If the  
20 cease and desist order is served by mail with proof of mailing, it shall be deemed  
21 delivered on the seventh calendar day after the date affixed by the post office  
22 on the certificate or proof of mailing. The presumption of delivery in this  
23 Subsection shall not apply if the postal service returns the cease and desist order  
24 as undeliverable.

25 D. If the person or business subject to the cease and desist order in this  
26 Section cannot be served, or does not comply with the cease and desist order,  
27 the department may file a petition for injunctive relief as provided in the Code  
28 of Civil Procedure in district court. There shall be no suspensive appeal or stay  
29 of an order or judgment of the district court granting the department a  
30 preliminary or permanent injunction.

1                    **E. The department shall promulgate rules as it determines are necessary**  
2                    **to aid in the implementation and enforcement of this Section, in accordance**  
3                    **with the Administrative Procedure Act.**

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

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