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## DIGEST

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HB 885 Original

2026 Regular Session

Melerine

**Abstract:** Provides for electronic lien, titling, and recordation of motor vehicles and motor vehicle identification plates.

Proposed law (R.S. 32:705.2(A)) authorizes the Department of Public Safety and Corrections (DPS&C), office of motor vehicles (OMV) to implement a system that offers vehicle title holders a fully paperless and secure digital title.

Proposed law (R.S. 32:705.2(B)) requires that the system:

- (1) Include all functions related to title re-assignments.
- (2) Meet or exceed applicable security requirements as set forth in regulations promulgated by the office of motor vehicles.
- (3) Provide title holders with online, real-time access to motor vehicle titles and status of titles in process.

Proposed law (R.S. 32:705.2(C)) requires that the secure digital vehicle title under proposed law be considered the official title from La. and fully and legally recognized for vehicle related transactions within the state and the U.S.

Proposed law (R.S. 32:705.2(D)) requires a duly certified copy of the digital title be admissible in any civil, criminal, or administrative proceeding as evidence of the title.

Proposed law (R.S. 32:705.2(E)) authorizes the commissioner of OMV to promulgate necessary rules and regulations to implement proposed law.

Present law (R.S. 32:707.2(A)) requires the dept. to develop and implement a statewide computer system permitting the electronic recording of information concerning the perfection and release of vehicle security interests without submitting or receiving paper title documents. Further authorizes the dept. to allow submission of title information for new, transferred, and corrected certifications of title.

Proposed law (R.S. 32:707.2(A)) specifies that electronic liens, electronic titling, and electronic registration will be included in the system. Further requires that the system have the ability to transact, process, record, and transmit certificates of title through a completely electronic process for:

- (1) All business entities and their service providers applying for automotive titles and

- registrations, for itself or the customers.
- (2) Electronic submission of liens and lien satisfactions by financial institutions and its service providers pursuant to proposed law.

Proposed law (R.S. 32:707.2(B)) requires that the system be electronically transmitted to the department based on the following:

- (1) If there are one or more liens or encumbrances on the motor vehicle, the dept. must electronically transmit the lien to the first lienholder and notify the first lienholder of any additional liens, provided that a motor vehicle lien is noted on its face of the certificate of the title and notwithstanding any other requirements in present law.
  - (a) Subsequent lien satisfactions must include the name and address of the person satisfying the lien.
  - (b) A certificate of title cannot be issued until the last lien is satisfied and a clear certificate of title is issued to the owner of the vehicle. Until the final lien is satisfied, the department is not obligated to print a paper title.
- (2) Vehicles subject to an electronic lien must have the certificate of title for the vehicle considered to be physically held by the lienholder for the purpose of compliance with state and federal odometer disclosure requirements. Requires a duly certified copy of the office of motor vehicle's electronic record of the lien be admissible in any civil, criminal, or administrative proceeding in this state as evidence of an existence of a lien.

Proposed law (R.S. 32:707.2(J)) specifies that out-of-state lienholders participating in the Electronic Lien and Title program recognized by the American Association of Motor Vehicle Administrators will be deemed in compliance.

Proposed law (R.S. 32:707.2(K)) requires lienholders to process electronic lien releases within two business days from the date the funds are deemed collected and maintain real-time accuracy of status information.

Proposed law (R.S. 32:707.2(L)) requires that all applications for registration submitted by licensed La. motor vehicle dealers be executed and submitted using electronic signatures and electronic records pursuant to present law.

Proposed law (R.S. 32:707.2(M)) requires that all systems approved utilize electronic signatures and integrate seamlessly with electronic lien and title systems.

Proposed law (R.S. 32:726.2(A)) authorizes licensed La. motor vehicle dealers to execute and submit electronic signatures and electronic records for all motor vehicle titling, registration, odometer disclosure, and related documents in connection with the sale, lease, transfer, or financing of a motor vehicle.

Proposed law (R.S. 32:726.2(B)) requires any sales agreement for the transfer of a motor vehicle

between persons as defined in proposed law contain the following statement:

"Both buyer and seller have examined the title certificate of the motor vehicle and it correctly reflects the mileage as it appears on the odometer."

Further requires that this statement be placed conspicuously and prominently on the agreement.

Proposed law (R.S. 32:726.2(C)) specifies that it is unlawful for any person to transfer ownership of a motor vehicle previously registered in this state or a motor vehicle used by a dealer as a demonstrator, unless the transferor employs one of the following actions:

- (1) Enters on an electronic form prescribed by the DPS&C, OMV, as prescribed by state law, the mileage the motor vehicle has been operated. Requires the form be signed by both the seller and buyer and contain a statement that both parties have viewed the odometer of the motor vehicle and then attached to the instrument evidencing transfer of ownership.
- (2) Enters upon the form "not the actual mileage" in the event that the odometer mileage is known to the person to be less than the motor vehicle has actually traveled.
- (3) Enters the total cumulative mileage on the form in the event that it is known that the mileage indicated on the odometer is beyond its designated mechanical limits.
- (4) Enters the same information as set forth in proposed law on the owner's title certification.
- (5) The owner of a motor vehicle supplies its mileage upon the annual renewal registration form supplied by the OMV.

Proposed law (R.S. 32:726.2(D)) requires all electronic odometer disclosures executed in proposed law comply with the applicable federal laws. Further authorizes the DPS&C, OMV, to approve electronic systems that meet or exceed the Identity Assurance Level 2 standard outlined pursuant to the National Institute of Standards and Technology under SP 800-63 or any successor federal standard.

Proposed law (R.S. 32:726.2(E)) specifies that it is a violation of proposed law for any person to give a false statement to a transferee, unless the vehicle has been resold in reliance on the required statement of the prior owner.

Proposed law (R.S. 32:726.2(F)) prohibits a motor vehicle previously registered in another state from being registered for use in this state, unless the application for a certificate of title in La. is accompanied by the prior owner's certificate of title and a form as set for in proposed law.

Proposed law (R.S. 32:726.2(G)) requires that the certificate of title of the motor vehicle issued to the new owner by the state of La. must:

- (1) Be provided electronically, or printed using a process determined by the commissioner of the OMV to be the most efficient and effective means of avoiding unauthorized duplication.
- (2) Indicate on its face the mileage required to be disclosed by the transferor under proposed law.
- (3) Contain a space for the transferee to disclose the mileage at the time of any future transfer and to sign and date the disclosure.

Proposed law (R.S. 32:726.2(H)) specifies that no vehicle registration card can be issued in this state, unless:

- (1) The application for the registration card contains the prior owner's most recent registration card and the prior owner's title.
- (2) The new registration card contains such information as provided on the application.

Proposed law (R.S. 32:726.2(I)) specifies that any form used to transfer a motor vehicle may be signed electronically and does not need notarization based on present law. Further specifies that all systems approved under proposed law for electronic signatures and electronic records must integrate seamlessly with the electronic lien and title system established under proposed law to create a unified electronic transaction platform. Additionally requires that electronic signatures, electronic records, and powers of attorney executed based on proposed law have the same force and effect as written signatures and paper documents, consistent with the La. Uniform Electronic Transaction Act, the federal Electronic Signatures in Global and National Commerce Act, and the Remote Online Notarization Act.

Proposed law (R.S. 32:726.2(J)) specifies that a licensed La. motor vehicle dealer who relies in good faith on a DPS&C, OMV, approved system for electronic signatures, remote notarization of power of attorney, electronic records, or electronic odometer disclosures will be deemed in compliance with the state's requirements governing the form, execution, and submission of these documents.

Proposed law (R.S. 32:726.2(K)) specifies that a licensed La. motor vehicle dealer using an approved system in good faith and without actual knowledge of fraud or unauthorized access is immune from civil liability arising solely from the use of electronic signatures, remote notarization of powers of attorney or electronic records, including claims alleging improper execution, authentication, or transmission, provided said dealer complied with the requirements of proposed law and present law. Further specifies that the immunity provided for in proposed law does not apply to intentional misconduct or gross negligence.

Proposed law (R.S. 32:726.2(L)) specifies that proposed law applies to all motor vehicles bought, sold, or transferred within the state.

(Amends R.S. 32:707.2; Adds R.S. 32:705.2 and 726.2)