

DIGEST

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SB 72 Reengrossed

2026 Regular Session

Hodges

Present law (R.S. 32:702) provides for definitions.

Proposed law defines "certificate of title" and meanings for "endorsement".

Proposed law provides that electronic signatures of sellers affixed to an electronic record of assignment or transfer of title in a manner authorized by the Dept. of Public Safety and Corrections (DPS&C), consistent with the provisions of the La. Uniform Electronic Transaction Act. Further requires the signatures comply with the Identity Assurance Level 2 (IAL2) security standard when required by federal law or regulation, as defined in the National Institute of Standards and Technology Special Publication 800-63A.

Present law provides by January 1, 2010 the department would develop and implement on a statewide basis a computer system which will permit the electronic recording of information concerning liens without submitting or receiving paper title documents.

Proposed law modifies present law by removing the Jan. 1, 2010 deadline for implementation. Also removes the provision for the submission of paper documents.

Proposed law further provides for the system to enable the ability to transact, process, record, and transmit certificates of title to record and release liens through a completely electronic process for all business entities and their service providers applying for automotive titles and registrations, for itself or the customers and all federally insured depository institutions, their affiliates and subsidiaries, other lenders, and their public tag agents and other service providers.

Proposed law specifies that any lienholder using the department's electronic lien and electronic titling system, directly or through a public tag agent, to release a lien encumbering an electronic certificate of title must process the electronic lien release within five business days after the lienholder has been paid in full and the payoff funds are deemed by the lienholder to be collected. Specifies that the requirements of proposed law not apply to paper certificates of title, governed by present law.

Proposed law specifies that beginning 12 months after Jan. 1, 2028 or the date the DPS&C, office of motor vehicles (OMV), certifies that a fully operational statewide electronic, lien, electronic titling, and electronic registration system has been implemented, whichever occurs sooner, any person who, in the regular course of business, submits applications for certificates of title, registration, lien recordings, lien satisfactions, or other documents to the department in connection with motor vehicle transactions must submit those applications through the system, subject to such exceptions as the department may provide by rule.

Proposed law requires the department promulgate rules and regulations in accordance with the Administrative Procedure Act establishing definitions, operational standards, performance requirements, compliance criteria, and reporting requirements for electronic lien and title, electronic vehicle registration, and electronic registration and titling systems.

Proposed law specifies that any document, record, or instrument required in connection with the sale, lease, transfer, titling, registration, or financing of a motor vehicle may be created, executed, transmitted, and stored electronically, including but not limited to the following:

- (1) Titling documents.
- (2) Registration applications.
- (3) Odometer disclosure forms.
- (4) Secure and limited powers of attorney.

(5) Attestations.

Proposed law specifies that any documents used to transfer ownership of a vehicle to an insurance company after payment of damages may be signed electronically and reproduced in paper form and will not require notarization. Specifies that the supporting documents include but are not limited to the following:

- (1) Limited powers of attorney.
- (2) Applications for duplicate titles.
- (3) Odometer disclosure forms.

Proposed law requires electronic signatures comply with the IAL2 security standard when required by federal law or regulation as defined in the National Institute of Standards and Technology Special Publication 800-63A.

Proposed law specifies that an electronic signature or electronic record accepted by the department, including a legibly scanned or imaged copy of a signed document, will have the same force and effect as a handwritten signature or original paper document, satisfies any legal requirement for a written signature or record, not require notarization, and be admissible for all legal and evidentiary purposes to the same extent as a handwritten signature or original paper document.

Proposed law requires the DPS&C, OMV, accept electronic records and electronic signatures for the documents and records identified in proposed law and any electronic signature or electronic record accepted by the department will have the same force and effect as an original written document or handwritten signature and will satisfy any legal requirement for a written record or signature.

Proposed law requires the department promulgate rules and regulations in accordance with the Administrative Procedure Act as may be necessary to implement the provisions of proposed law, including but not limited to rules governing electronic signatures and authentication standards and security and identity verification procedures.

Proposed law specifies that a dealer or authorized officer 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 the dealer or authorized officer complied with the requirements of proposed law and any rules promulgated by the department. Specifies that the immunity is not applicable to intentional misconduct or gross negligence.

Proposed law requires the DPS&C, OMV, implement, or authorize the use of, a secure, interoperable, system a system that offers vehicle title holders a fully paperless, secure digital vehicle title that may be issued in lieu of a paper certificate of title, including the ability for such title to be made available to the title holder through a department-approved or state-authorized digital credential platform.

Proposed law requires that once the system is implemented, the secure digital title system must:

- (1) Include all functions related to title reassignments.
- (2) Meet or exceed applicable security requirements as set forth in regulations promulgated by the department.
- (3) Provide title holders with online, real-time access to motor vehicle titles and status of titles in process.
- (4) Support secure interoperability with department-approved systems, including approved digital credential platforms, dealer service providers, financial institution service providers, and verification services, through standards-based interfaces, application programming interfaces, or other methods approved by the department.

Proposed law requires the commissioner of the OMV to promulgate any rules and regulations necessary to implement the provisions of proposed law. Requires that any rules

promulgated be designed to promote competition, transparency, interoperability, and consumer choice, subject to security, privacy, and technical standards established by the department. Prohibits the department from requiring a title holder, dealer, lender, insurer, or other authorized user to use a specific proprietary application to access, present, or verify a secure digital title where a department-approved interoperable alternative meeting the department's security, privacy, and technical standards is available.

Proposed law prohibits that proposed law be construed to grant any vendor, contractor, system integrator, or operator of the department's system of record the exclusive right to display, present, verify, or make available to residents a digital wallet, identity verification, electronic signature, verifier services, or other resident-facing services related to secure digital vehicle titles. Requires the department remain the sole issuer of secure digital vehicle titles. Authorizes the department to allow one or more qualified providers, including approved digital credential platforms and verification services, to perform resident-facing display, presentation, or verification functions, subject to security, privacy, audit, and interoperability requirements established by the department.

Proposed law requires that the department remain the authoritative source of all title records. Specifies that any display, presentation, verification, or use of a secure digital title through an approved digital credential platform not alter the department's ownership or control of the authoritative title record and must be subject to technical standards and business requirements established by the department.

Proposed law specifies that a secure digital title issued pursuant to proposed law may be verified through a department-approved digital verification service, provided such service meets security, privacy, audit, and interoperability requirements established by the department.

Requires certain provisions become effective on Jan. 1, 2028 or when the department certifies its system is fully operational, whichever occurs first. Prohibits that certain areas of proposed law be construed to invalidate or limit any electronic record, electronic signature, or electronic transaction otherwise authorized by law or by policy of the department. Specifies that R.S. 32:707.2.2 is effective when the system has been implemented and operational or Jan. 1, 2031, whichever is sooner.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 32:707.2(A), (C)(1), and (D); Adds R.S. 32:702(18), 705(B)(6) and (7), 707.2(I) and (J), 707.2.1, and 707.2.2; Repeals R.S. 32:707.2(G))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes technical changes.
2. Defines "certificate of title".
3. Provides for system requirements for electronic lien recordation, registration and titling fees.
4. Adds provisions for obtaining certificate of title.
5. Provides for requirements for receiving electronic information.
6. Changes number of transactions from 250 to 25 for institutions designating a public tag agent relative to transmitting a release of satisfaction of lien.
7. Provides for requirements for lienholders processing electronic liens.
8. Provides documentation in connection with the sale, lease, transfer, titling, registration, or financing of a motor vehicle.

9. Provides for requirements for electronic systems.
10. Provides promulgation of rules.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the reengrossed bill:

1. Make technical changes.
2. Clarify that the computer system will only record electronic lien, titling, and registration information.
3. Add that the system must provide for titling, recordation, and releasing of liens through a completely electronic process for certain listed users.
4. Remove a provision dealing with language on the admissibility of electronic records and adds federally insured depository institutions and public tag agents as those able to use the department's electronic system.
5. Specify that any lienholder using the electronic system to release a lien must process the lien release within five business days after the lienholder has been paid in full and the funds are deemed collected.
6. Specify that twelve months after January 1, 2028 or the date of system is fully operational, whichever occurs sooner, any person in the course of business, that submits applications for certificates of title, registration, lien recordings, lien satisfactions or other documents to the department for vehicle transactions must submit them through the system, subject to certain exceptions.
7. Add the requirement that the Department of Public Safety and Corrections promulgate rules and regulations.
8. Change from mandatory to permissive relating to the electronic creation, execution, transmission, and storage of certain documents.
9. Change the security standard from Authentication Assurance Level 2 to Identity Assurance Level 2.
10. Clarify that acceptable department electronic signatures or records must have the same force and effect as a handwritten signature or original paper document, satisfy any legal requirement for a written signature or record, not require notarization, and be admissible for all legal and evidentiary purposes to the same extent as a handwritten signature or original paper.
11. Add the requirement that the department implement, or authorize the use of, a secure, interoperable, system a system that offers vehicle title holders a fully paperless, secure digital vehicle title that may be issued in lieu of a paper certificate of title.
12. Add that support secure interoperability with department-approved systems, including approved digital credential platforms, dealer service providers, financial institution service providers, and verification services, through standards-based interfaces, application programming interfaces, or other methods approved by the department.
13. Add the requirement that any rules promulgated under proposed law be designed to promote competition, transparency, interoperability, and consumer choice, subject to security, privacy, and technical standards established by the department. Prohibits the department from requiring a title holder, dealer, lender, insurer, or other authorized user to use a specific proprietary application

to access, present, or verify a secure digital title where a department-approved interoperable alternative meeting the department's security, privacy, and technical standards is available.

14. Prohibits any entity using the system from having the exclusive right to display, present, verify, or otherwise make available to residents a digital wallet, identity verification, electronic signature, verifier services, or other resident-facing services related to secure digital vehicle titles. Further requires the department remain the sole issuer of vehicle titles and may authorize qualified providers to perform certain functions.
15. Add the requirement that the department be the sole authoritative source of all title records and prohibits any alternations, subject to technical standards and business requirements established by the department.
16. Add the authorization that secure digital title verification go through a department-approved service.
17. Add an uncodified requirement that certain provisions become effective on January 1, 2028 or when the department certifies its system is fully operational, whichever occurs first.
18. Add an uncodified provision to prohibit proposed law from being construed to invalidate or limit any electronic record, electronic signature, or electronic transaction otherwise authorized by law or by policy of the department. Specifies that proposed law, R.S. 32:707.2.2, is effective when the system has been implemented and operational or January 1, 2031, whichever is sooner.