

GREEN SHEET REDIGEST

HB 1086

2026 Regular Session

Melerine

MOTOR VEHICLES: Provides with respect to electronic titles and registration for motor vehicles.

DIGEST

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

Proposed law defines "certificate of title" as the record that is evidence of ownership of a vehicle, whether paper or electronic, issued by the Dept. of Public Safety and Corrections (DPS&C), office of motor vehicles (OMV).

Present law (R.S. 32:705(B)) provides for the various meanings of "endorsement".

Proposed law retains present law and adds the following:

- (1) Electronic signatures of sellers affixed to an electronic record of assignment or transfer of title in a manner authorized by the 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.
- (2) Electronic signature of the seller affixed through an electronic titling system or other electronic process approved by the DPS&C will have the same force and effect as a handwritten signature and endorsement executed pursuant to present law.

Present law (R.S. 32:707.2(A)) requires the DPS&C to develop and implement a statewide computer system no later than Jan. 1, 2010, 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 DPS&C to allow submission of title information for new, transferred, and corrected certifications of title through electronic media in a cost-effective manner in lieu of the submission and maintenance of paper documents required in present law.

Proposed law (R.S. 32:707.2(A)(1)) removes the date to develop and implement the computer system. Further adds electronic lien, titling, and registration into the computer system. Further requires the DPS&C to allow submission of title information for new, transferred, and corrected certifications of title including the perfection and release of security interests, through electronic means in a cost-effective manner. Further requires the system enable the ability to transact, process, record, and transmit certificates of title and to record and release liens through a completely electronic process for the following users

- (1) All business entities and their service providers applying for automotive titles and registrations, for itself or the customers.
- (2) All federally insured depository institutions, their affiliates and subsidiaries, other lenders, and their public tag agents and other service providers.

Present law (R.S. 32:707.2(C)(1)) requires that an approved public license tag agent operating a secured host computer system interfacing with the computer system of the DPS&C, OMV, and the computer system of a lending institution or other sales finance company be bonded in an amount specified by the DPS&C. Further authorizes the public license tag agent to charge a fee to customers utilizing this electronic media system.

Proposed law changes a term in present law from electronic media system to electronic system.

Present law (R.S. 32:707.2(D)) requires that a written or printed report of an electronic media transaction or recording required in present law, if certified as true and correct by the DPS&C, serve as evidence of any signature, acknowledgment, or information which was provided to or by the DPS&C through electronic means, and the certification be admissible in any legal proceeding as evidence of the facts, unless contrary to present law.

Proposed law changes a term in present law from electronic media transaction or recording to electronic transaction or recording.

Present law (R.S. 32:707.2(G)) authorized the formation of a task force to develop and implement the electronic media system.

Proposed law repeals present law.

Proposed law (R.S. 32:707.2(I)) provides 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 will process the electronic lien release within five business days after the lienholder has been paid in full and the payoff funds are deemed collected by the lienholder. Proposed law further provides the requirements to release within 5 business days do not apply to paper certificates of title.

Proposed law (R.S. 32:707.2(J)(1)) specifies that beginning 12 months after the effective date provided for in Section 3 of this Act, 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 (R.S. 32:707.2(J)(2)) requires the DPS&C to 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 (R.S. 32:707.2.1(A)) specifies that notwithstanding any provision of law to the contrary, any document, record, or instrument required in connection with the sale, lease, transfer, titling, registration, or financing of a motor vehicle, unless otherwise exempted by proposed law may be created, executed, transmitted, and stored electronically, including but not limited to the following:

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

Proposed law (R.S. 32:707.2.1(B)) 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. Further requires the electronic signatures comply with IAL2. Further specifies 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 (R.S. 32:707.2.1(C)(1)) requires electronic 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.

Proposed law (R.S. 32:707.2.1(C)(2)) specifies that an electronic signature or electronic record accepted by the department, including a legibly scanned or imaged copy of a signed document, has the same force and effect as a handwritten signature or original paper document, satisfies any legal requirement for a written signature or record, does not require notarization, and is admissible for all legal and evidentiary purposes to the same extent as a handwritten signature or original paper document.

Proposed law (R.S. 32:707.2.1(D)(1)) 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 has the same force and effect as an original written document or handwritten signature and satisfies any legal requirement for a written record or signature.

Proposed law (R.S. 32:707.2.1(D)(2)) requires the DPS&C, OMV, 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:

- (1) Electronic signatures and authentication standards.
- (2) Security and identity verification procedures.

Proposed law (R.S. 32:707.2.1(E)) specifies a dealer or authorized officer as set forth in present law 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 DPS&C. Further specifies the immunity does not apply to intentional misconduct or gross negligence.

Proposed law (R.S. 32:707.2.2(A)) requires the DPS&C, OMV, implement, or authorize the use of, a secure, interoperable 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 (R.S. 32:707.2.2(B)) 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 DPS&C.
- (3) Provide title holders with online, real-time access to 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 (R.S. 32:707.2.2(C)) requires a secure digital vehicle title produced under proposed law be regarded as an official title from the state of La. and be fully recognized legally for any vehicle related transactions within the state and all other U.S. jurisdictions.

Proposed law (R.S. 32:707.2.2(D)) requires the secure digital title system permit the electronic transfer, reassignment, and recording of ownership of a vehicle. Further requires that ownership transfers executed through an approved electronic title system have the same legal effect as transfers executed through a paper certificate of title. Additionally specifies

that licensed vehicle dealers may complete title assignments, reassignment of ownership, and related documents through the electronic system without requiring issuance of a paper certificate of title.

Proposed law (R.S. 32:707.2.2(E)) requires a duly certified copy of the OMV's secure digital title be admissible in any civil, criminal, or administrative proceeding in this state as evidence of the existence of the title.

Proposed law (R.S. 32:707.2.2(F)) requires the commissioner of the OMV promulgate any rules and regulations necessary to implement the provisions of proposed law. Proposed law further requires that 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.

Proposed law (R.S. 32:707.2.2(G)) prohibits any vendor, contractor, system integrator, or operator of the department's system of record from being granted exclusive rights 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. Specifies the department remains the sole issuer of secure digital vehicle titles. Authorizes the department to designate 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 (R.S. 32:707.2.2(H)) specifies the department remains the authoritative source of all title records and that any display, presentation, verification, or use of a secure digital title through an approved digital credential platform shall not alter the department's ownership or control of the authoritative title record and is subject to technical standards and business requirements established by the department.

Proposed law (R.S. 32:707.2.2(I)) authorizes a secure digital title issued under proposed law to be verified through a department-approved digital verification service, provided the service meets security, privacy, audit, and interoperability requirements established by the department.

Proposed law provides that R.S. 32:705(B)(6) and (7), R.S. 32:707.2(A), (C)(1) and (2), (D), (I), and (J), and R.S. 32:707.2.1 become effective on Jan. 1, 2028, or on the date the DPS&C, OMV, certifies that a fully operational statewide electronic lien, electronic titling, and electronic registration system has been implemented, whichever occurs sooner. Specifies that nothing shall be construed to invalidate or limit any electronic record, electronic signature, or electronic transaction otherwise authorized by law or by policy of the DPS&C, OMV, prior to the effective date of proposed law. Proposed law further provides the provisions of R.S. 32:707.2.2 become effective on the date the DPS&C, OMV, certifies that the secure digital title system has been implemented and is operational, or Jan. 1, 2031, whichever occurs first.

Proposed law specifies R.S. 32:702(18), the repeal of R.S. 32:707.2(G), and Sections 5 and 6 become effective on signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature, with provisions for veto override.

Proposed law that the provisions of proposed law are severable and authorizes and directs the Law Institute to arrange in alphabetical order and renumber the definitions provided in present law and proposed law.

(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 House

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Change proposed law from Authentication Assurance Level 2 (AAL2) security standard as defined in the National Institute of Standards and Technology Special Publication 800-63-3 to Identity Assurance Level 2 (IAL2) security standard as defined in the National Institute of Standards and Technology Special Publication 800-63A.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the engrossed bill

1. Add provision electronic signatures comply with federal law or regulation.
2. Add requirements for statewide computer system for electronic lien, titling and registration.
3. Remove certain provisions for federally insured deposit institution.
4. Add requirements for secure interoperability.
5. Adds provisions for OMV to operate and implement rules and regulations.
6. Adds effective dates for certain provisions.