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## DIGEST

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HB 1127 Engrossed

2016 Regular Session

Howard

**Abstract:** Increases the contract duration and surety requirements of auto title companies.

Present law defines "auto title company", in part, to mean "any person, firm, association, or corporation which is engaged primarily in the transfer and recordation of sales, leases, or mortgages of vehicles including but not limited to mobile homes, trailers, and motor vehicles."

Proposed law retains present law.

Present law authorizes auto title companies who have confected a contract with the Dept. of Public Safety and Corrections, office of motor vehicles, to issue temporary registrations in certain circumstances.

Proposed law retains present law.

Present law requires an annual fee of \$200 to be collected from a person seeking to contract with the Dept. of Public Safety and Corrections, office of motor vehicles, prior to the person commencing to act as an auto title company. Requires the auto title company to pay an additional \$50 for each additional location.

Proposed law changes the fee to \$400 biennially and \$100 for each additional location.

Present law requires every contract between Dept. of Public Safety and Corrections, office of motor vehicles, and an authorized auto title company, to expire the first day of June following the year in which such license was issued.

Present law requires every contract between Dept. of Public Safety and Corrections, office of motor vehicles, and an authorized auto title company, to expire the first day of June two years following the year in which such license was issued. Authorizes the department to automatically renew such license.

Present law requires each auto title company to execute a \$10,000 surety bond for one location and a \$20,000 surety bond for multiple locations.

Proposed law requires a \$100,000 surety bond for only one location and a \$125,000 surety bond for multiple locations.

Proposed law exempts auto title companies under contract on the effective date of the Act from the increased surety amounts until their contract renewal date.

Proposed law extends contracts executed prior to the effective date of the Act for one additional year without need for amendment to the contract upon payment of the required \$200 fee plus an additional \$50 fee for each additional location.

(Amends R.S. 32:735(C) and (D) and 736(A))

#### Summary of Amendments Adopted by House

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

1. Remove proposed law regarding making license plates available to auto title companies.
2. Remove proposed law regarding submission of documents to the Dept. of Public Safety and Corrections, office of motor vehicles, by auto title companies.
3. Remove changes to administrative rules regarding auto title contracts.
4. Make technical changes.