

SENATE BILL NO. 72

BY SENATOR HODGES AND REPRESENTATIVES DICKERSON AND SAWYER

1 AN ACT

2 To amend and reenact R.S. 32:707.2(A), (C)(1), and (D), to enact R.S. 32:702(18),
3 705(B)(6) and (7), 707.2(I) and (J), 707.2.1, and 707.2.2, and to repeal R.S.
4 32:707.2(G), relative to the office of motor vehicles; to provide for the acceptance
5 of digital signatures; to provide for the acceptance of electronic signatures; to
6 provide for system requirements for electronic lien, titling, and recordation of motor
7 vehicles; to provide for the duties of the office of motor vehicles; to provide for the
8 use of electronic signatures; to provide for civil immunity; to provide for
9 effectiveness; to provide for severability; to direct the Louisiana State Law Institute
10 to alphabetize and renumber definitions; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 32:707.2(A), (C)(1), and (D) are hereby amended and reenacted and
13 R.S. 32:702(18), 705(B)(6) and (7), 707.2(I) and (J), 707.2.1, and 707.2.2 are hereby enacted
14 to read as follows:

15 §702. Definitions

16 As used in this Chapter:

17 * * *

18 **(18) "Certificate of title" means the record that is evidence of ownership**
19 **of a motor vehicle, whether paper or electronic, issued by the department.**

20 * * *

21 §705. Acceptance and delivery of certificate

22 * * *

23 B. For purposes of this Section, an "endorsement" means one of the
24 following:

25 * * *

26 **(6) The electronic signature of the seller affixed to an electronic record**
27 **of assignment or transfer of title in a manner authorized by the department,**

1 consistent with the provisions of the Uniform Electronic Transaction Act, R.S.
 2 9:2601 et seq. The electronic signatures shall comply with the Identity
 3 Assurance Level 2 (IAL2) security standard when required by federal law or
 4 regulation, as defined in the National Institute of Standards and Technology
 5 Special Publication 800-63A.

6 (7) An electronic signature of the seller affixed through an electronic
 7 titling system or other electronic process approved by the department, which
 8 shall have the same force and effect as a handwritten signature and
 9 endorsement executed pursuant to Paragraph (1) or (2) of this Subsection.

10 * * *

11 §707.2. Electronic ~~media~~ system for lien recordation; vehicle titling and
 12 registration; participation requirements; fees; required bond;
 13 confidentiality of information; rules and regulations

14 A. The department shall develop and implement on a statewide basis ~~no later~~
 15 ~~than January 1, 2010,~~ a computer system which will permit the electronic recording
 16 of information concerning the perfection and release of vehicle security interests
 17 without submitting or receiving the paper title documents including electronic lien,
 18 electronic titling, and electronic registration. The department ~~may~~ shall allow the
 19 submission of vehicle title information for new, transferred, and corrected
 20 certificates of title, including the perfection and release of security interests, through
 21 electronic media means in a cost-effective manner in lieu of the submission and
 22 maintenance of paper documents otherwise required by this Chapter. The system
 23 shall enable the ability to transact, process, record, and transmit certificates of
 24 title and to record and release liens through a completely electronic process for
 25 the following users:

26 (1) All business entities and their service providers applying for
 27 automotive titles and registrations, for itself or the customers.

28 (2) All federally insured depository institutions, their affiliates and
 29 subsidiaries, other lenders, and their public tag agents and other service
 30 providers.

* * *

C.(1) An approved public license tag agent operating a secured host computer system interfacing with the computer system of the Department of Public Safety and Corrections, office of motor vehicles, and the computer system of a lending institution or other sales finance company shall be bonded in an amount specified by the department. The public license tag agent is hereby authorized to charge a fee to customers utilizing this electronic ~~media~~ system.

(2) Each federally insured depository institution that originates more than ~~two hundred fifty~~ twenty-five motor vehicle transactions per year, and each finance company, lending institution, or other lender shall designate a public tag agent with which such bank, finance company, lending institution, or other lender shall interface its computer system for the purpose of receiving electronic confirmation from the department, of the receipt and the filing of the security interest on the subject motor vehicle. Each federally insured depository institution that originates more than ~~two hundred fifty~~ twenty-five motor vehicle transactions per year, and each finance company, lending institution, or other lender shall also designate such public tag agent when transmitting a release or satisfaction of its lien.

* * *

D. Notwithstanding any other law to the contrary, a written or printed report of an electronic ~~media~~ transaction or recording required under the provisions of this Section, if certified as true and correct by the department, shall serve as evidence of any signature, acknowledgment, or information which was provided to or by the department through electronic means, and the certification shall be admissible in any legal proceeding as evidence of the facts stated therein.

* * *

I. 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 shall 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. The

1 requirements of this Subsection shall not apply to paper certificates of title,
2 which shall be governed by R.S. 32:708.

3 J.(1) Beginning twelve months after January 1, 2028, or the date the
4 Department of Public Safety and Corrections, office of motor vehicles, certifies
5 that a fully operational statewide electronic, lien, electronic titling, and
6 electronic registration system has been implemented, whichever occurs sooner,
7 any person who, in the regular course of business, submits applications for
8 certificates of title, registration, lien recordings, lien satisfactions, or other
9 documents to the department in connection with motor vehicle transactions
10 shall submit those applications through the system, subject to such exceptions
11 as the department may provide by rule.

12 (2) The department shall promulgate rules and regulations in accordance
13 with the Administrative Procedure Act establishing definitions, operational
14 standards, performance requirements, compliance criteria, and reporting
15 requirements for electronic lien and title, electronic vehicle registration, and
16 electronic registration and titling systems.

17 §707.2.1. Electronic signatures and records for motor vehicle transactions

18 A. Any document, record, or instrument required in connection with the
19 sale, lease, transfer, titling, registration, or financing of a motor vehicle may be
20 created, executed, transmitted, and stored electronically, including but not
21 limited to the following:

22 (1) Titling documents.

23 (2) Registration applications.

24 (3) Odometer disclosure forms.

25 (4) Secure and limited powers of attorney.

26 (5) Attestations.

27 B. Any documents used to transfer ownership of a vehicle to an
28 insurance company after payment of damages may be signed electronically and
29 reproduced in paper form and shall not require notarization. The supporting
30 documents include but are not limited to the following:

1 **(1) Limited powers of attorney.**

2 **(2) Applications for duplicate titles.**

3 **(3) Odometer disclosure forms.**

4 **C.(1) Electronic signatures shall comply with the Identity Assurance**
5 **Level 2 (IAL2) security standard when required by federal law or regulation as**
6 **defined in the National Institute of Standards and Technology Special**
7 **Publication 800-63A.**

8 **(2) An electronic signature or electronic record accepted by the**
9 **department pursuant to this Section, including a legibly scanned or imaged copy**
10 **of a signed document, shall have the same force and effect as a handwritten**
11 **signature or original paper document, shall satisfy any legal requirement for a**
12 **written signature or record, shall not require notarization, and shall be**
13 **admissible for all legal and evidentiary purposes to the same extent as a**
14 **handwritten signature or original paper document.**

15 **D.(1) The Department of Public Safety and Corrections, office of motor**
16 **vehicles, shall accept electronic records and electronic signatures for the**
17 **documents and records identified in Subsections A and B of this Section and any**
18 **electronic signature or electronic record accepted by the department pursuant**
19 **to this Section shall have the same force and effect as an original written**
20 **document or handwritten signature and shall satisfy any legal requirement for**
21 **a written record or signature.**

22 **(2) The department shall promulgate rules and regulations in accordance**
23 **with the Administrative Procedure Act as may be necessary to implement the**
24 **provisions of this Section, including but not limited to rules governing:**

25 **(a) Electronic signatures and authentication standards.**

26 **(b) Security and identity verification procedures.**

27 **E.(1) A dealer or authorized officer as set forth in R.S. 32:702 using an**
28 **approved system in good faith and without actual knowledge of fraud or**
29 **unauthorized access shall be immune from civil liability arising solely from the**
30 **use of electronic signatures, remote notarization of powers of attorney or**

1 electronic records, including claims alleging improper execution, authentication,
2 or transmission, provided the dealer or authorized officer complied with the
3 requirements of this Section and any rules promulgated by the department.

4 (2) The immunity provided for in Paragraph (1) of this Subsection shall
5 not apply to intentional misconduct or gross negligence.

6 §707.2.2. Secure digital motor vehicle titles

7 A. The Department of Public Safety and Corrections, office of motor
8 vehicles, shall implement, or authorize the use of, a secure, interoperable system
9 that offers vehicle title holders a fully paperless, secure digital vehicle title that
10 may be issued in lieu of a paper certificate of title, including the ability for such
11 title to be made available to the title holder through a department-approved or
12 state-authorized digital credential platform.

13 B. Once implemented, the secure digital title system shall:

14 (1) Include all functions related to title reassignments.

15 (2) Meet or exceed applicable security requirements as set forth in
16 regulations promulgated by the department.

17 (3) Provide title holders with online, real-time access to motor vehicle
18 titles and status of titles in process.

19 (4) Support secure interoperability with department-approved systems,
20 including approved digital credential platforms, dealer service providers,
21 financial institution service providers, and verification services, through
22 standards-based interfaces, application programming interfaces, or other
23 methods approved by the department.

24 C. A secure digital vehicle title produced under this Section shall be
25 regarded as an official title from the state of Louisiana and fully recognized
26 legally for any motor vehicle related transactions within the state and all other
27 United States jurisdictions.

28 D. The secure digital title system shall permit the electronic transfer,
29 reassignment, and recording of ownership of a motor vehicle. Ownership
30 transfers executed through an approved electronic title system shall have the

1 same legal effect as transfers executed through a paper certificate of title.
2 Licensed motor vehicle dealers may complete title assignments, reassignments
3 of ownership, and related documents through the electronic system without
4 requiring issuance of a paper certificate of title.

5 E. A duly certified copy of the office of motor vehicle's secure digital title
6 shall be admissible in any civil, criminal, or administrative proceeding in this
7 state as evidence of the existence of the title.

8 F. The commissioner of the office of motor vehicles shall promulgate any
9 rules and regulations necessary to implement the provisions of this Section. Any
10 rules promulgated under this Section shall be designed to promote competition,
11 transparency, interoperability, and consumer choice, subject to security,
12 privacy, and technical standards established by the department. The
13 department shall not require a title holder, dealer, lender, insurer, or other
14 authorized user to use a specific proprietary application to access, present, or
15 verify a secure digital title where a department-approved interoperable
16 alternative meeting the department's security, privacy, and technical standards
17 is available.

18 G. Nothing in this Section shall be construed to grant any vendor,
19 contractor, system integrator, or operator of the department's system of record
20 the exclusive right to display, present, verify, or otherwise make available to
21 residents a digital wallet, identity verification, electronic signature, verifier
22 services, or other resident-facing services related to secure digital vehicle titles.
23 The department shall remain the sole issuer of secure digital vehicle titles. The
24 department may authorize one or more qualified providers, including approved
25 digital credential platforms and verification services, to perform resident-facing
26 display, presentation, or verification functions, subject to security, privacy,
27 audit, and interoperability requirements established by the department.

28 H. The department shall remain the authoritative source of all title
29 records. Any display, presentation, verification, or use of a secure digital title
30 through an approved digital credential platform shall not alter the department's

1 ownership or control of the authoritative title record and shall be subject to
2 technical standards and business requirements established by the department.

3 I. A secure digital title issued pursuant to this Section may be verified
4 through a department-approved digital verification service, provided such
5 service meets security, privacy, audit, and interoperability requirements
6 established by the department.

7 Section 2. R.S. 32:707.2(G) is hereby repealed in its entirety.

8 Section 3.(A) The provisions of R.S. 32:705(B)(6) and (7), R.S. 32:707.2(A), (C)(1),
9 (D), (I), and (J), and R.S. 32:707.2.1, as enacted or amended by this Act, shall become
10 effective on January 1, 2028, or on the date the Department of Public Safety and Corrections,
11 office of motor vehicles, certifies that a fully operational statewide electronic lien, electronic
12 titling, and electronic registration system has been implemented, whichever occurs sooner.

13 (B) Nothing in this Section shall be construed to invalidate or limit any electronic
14 record, electronic signature, or electronic transaction otherwise authorized by law or by
15 policy of the Department of Public Safety and Corrections, office of motor vehicles, prior
16 to the effective date of this Section.

17 (C) The provisions of R.S. 32:707.2.2, as enacted by this Act, shall become effective
18 on the date the Department of Public Safety and Corrections, office of motor vehicles,
19 certifies that the secure digital title system required by R.S. 32:707.2.2 has been
20 implemented and is operational, or January 1, 2031, whichever occurs sooner.

21 Section 4. R.S. 32:702(18), the repeal of R.S. 32:707.2(G), and Sections 5 and 6 of
22 this Act shall become effective upon signature by the governor or, if not signed by the
23 governor, upon expiration of the time for bills to become law without signature by the
24 governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed
25 by the governor and subsequently approved by the legislature, those provisions shall become
26 effective on the day following such approval.

27 Section 5. If any provision of this Act, or the application thereof, is held invalid, such
28 invalidity shall not affect other provisions, items, or applications of the Act which can be
29 given effect without the invalid provision, item, or application and to this end the provisions
30 of this Act are hereby declared severable.

1 Section 6. The Louisiana State Law Institute is hereby authorized and directed to
2 arrange in alphabetical order and renumber the definitions provided in R.S. 32:702.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____