ENROLLED

Regular Session, 2011

HOUSE BILL NO. 470

BY REPRESENTATIVE HENRY BURNS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

To amend and reenact R.S. 32:429.2(B), 707(I)(1), 707.3(A,) and 713 and to enact R.S. 32:707.2(C)(4), 707.6, and 728(10) and (11), relative to motor vehicle titles; to establish an expedited motor vehicle title receipt procedure; to provide for fees charged for receipt of an expedited motor vehicle title; to provide relative to issuance of a salvage title to an insurance company; to provide relative to issuance of a certificate of destruction to an insurance company; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:429.2(B), 707(I)(1), 707.3(A), and 713 are hereby amended and reenacted and R.S. 32:707.2(C)(4), 707.6, and 728(10) and (11) are hereby enacted to read as follows:

§429.2. Office of Motor Vehicles Customer Service and Technology Fund; uses of the monies

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B. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all of the obligations secured by the full faith and credit of the state which become due and payable within any fiscal year, the treasurer shall pay an amount equal to the monies received by the state treasury pursuant to the provisions of R.S. 32:412.1(C)<u>, 707.2(C)(4), and 728(10)</u> into the Office of Motor Vehicles Customer Service and Technology Fund. The monies in this fund shall be used solely as provided in Subsection C of this Section and only in the amounts appropriated by the legislature. All unexpended and unencumbered monies in this fund at the end of the fiscal year shall remain in the

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fund. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund and shall be deposited into the state general fund.

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§707. Application for certificates of title; exception; salvage title; antique vehicles; reconstructed title

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I.(1)(a) When, as the result of an insurance settlement, a motor vehicle is declared to be a "total loss", as defined in R.S. 32:702, the insurance company, its authorized agent, or the vehicle owner shall, within thirty days from the settlement of the property damages claim, send the certificate of title, properly endorsed, to the office of motor vehicles along with an application for a salvage title in the name of the insurance company, or its authorized agent, or the vehicle owner.

(b) If an insurance company or its authorized agent is unable to obtain the certificate of title from the owner(s) or lienholder within thirty days from the settlement of the property damages claim, the insurance company or its authorized agent may submit an application for a salvage title and signed under penalty of perjury, which application shall be accompanied by all of the following:

(i) Evidence acceptable to the office of motor vehicles that the insurance company has made at least two written attempts to the titled owner(s) or lienholder of the motor vehicle by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title.

(ii) Evidence acceptable to the office of motor vehicles that the insurance company has made payment of a claim involving the motor vehicle.

(iii) The fee applicable to the issuance of a salvage title.

(iv) A release of lien executed by each current holder of a security interest in the motor vehicle.

(c) Upon receipt of an application for a salvage title pursuant to Subparagraph (I)(1)(a) or (b) of this Section, the office of motor vehicles shall issue a salvage title for the vehicle.

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(d) The office of motor vehicles may promulgate rules and regulations for the administration of this Subsection pursuant to the Administrative Procedure Act.

~~(b)~~ (e) The insurance company or agent shall notify the office of motor vehicles within thirty days of settlement of the property damage claim and the owner retained salvage value, when the owner of the vehicle is allowed to retain the salvage after the vehicle has been declared a total loss.

~~(c)~~ (f) Upon receipt of the salvage title, the insurance company, its authorized agent, or the vehicle owner may proceed to dismantle the vehicle, sell it, or rebuild and restore it to operation. A rebuilder of a salvaged title motor vehicle may upon completion of rebuilding the vehicle demonstrate the rebuilt motor vehicle to a prospective purchaser without applying for a reconstructed vehicle title. Except for the purposes of this demonstration, no rebuilt and restored vehicle shall be operated upon any public street, roadway, or highway until it is registered with the office of motor vehicles, and a reconstructed vehicle title is issued.

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§707.2. Electronic media system for lien recordation and title information; fees; required bond; confidentiality of information; rules and regulations

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C.

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(4) Any request to convert an existing paper title to an electronic title shall be forwarded to the department by the federally insured depository institution, finance company, lending institution, or other lender through its interface with its designated public tag agent. Upon receipt of such a request, the department shall convert the paper to an electronic title at a charge to the lender not to exceed one dollar and fifty cents per title. This charge shall be forwarded to the state treasurer for deposit into the Office of Motor Vehicles Customer Service and Technology Fund. The public tag agent fee shall not exceed three dollars per title conversion request. The provisions of R.S. 32:412.1 and 728 shall not apply to this Paragraph.

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§707.3. Certificates of destruction; application requirements; restrictions on sale; disassembly requirement; department rules; penalties

A. When, as a result of an insurance settlement, a motor vehicle is determined to be water damaged, as defined in this Chapter, the insurance company that acquires ownership of the vehicle shall, within thirty days from the settlement of the property damages claim, send the certificate of title to the office of motor vehicles along with an application for a certificate of destruction. This period may be extended by rule or regulation promulgated by the Department of Public Safety and Corrections pursuant to the Administrative Procedure Act. If the insurance company or its authorized agent is unable to obtain the certificate of title from the owner(s) or lienholder within thirty days from the settlement of such property damage claim, the insurance company or its authorized agent may submit an application for a certificate of destruction for such water damaged vehicle signed under penalty of perjury. Such application shall be accompanied by evidence acceptable to the office of motor vehicles that the insurance company has made at least two written attempts to the titled owner(s) or lienholder of the motor vehicle by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title; evidence that the insurance company has made payment of a property damage claim involving such motor vehicle; and a release of lien executed by each current holder of a security interest in the motor vehicle.

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§707.6. Expedited title procedure; rules and regulations

A. The Department of Public Safety and Corrections, office of motor vehicles, shall establish an expedited processing procedure for the receipt of applications and the issuance of certificates of titles for motor vehicles. Any designated agent, lienholder, or owner requesting the issuance of such document, at his option, shall receive such expedited processing upon payment of the fee authorized by R.S. 32:728(10).

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B. When expedited title processing is requested through the expedited title procedure or by application, the applicable fees are paid, and all documents and information necessary for the certificate of title applied for are received, the title shall be issued and directed to the public tag agent for pick-up by an authorized party within twenty-four hours of the time of receipt of the initial request, excluding weekends and holidays.

C. The Department of Public Safety and Corrections, office of motor vehicles, shall promulgate rules and regulations in accordance with the Administrative Procedure Act as are necessary to implement the provisions of this Section, including but not limited to rules and regulations setting fees in accordance with R.S. 47:532.1.

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§713. Lost or destroyed certificate

In the event of a lost or destroyed certificate of title, application shall be made to the commissioner by the owner of said vehicle in whose name the original title was issued or by the perfected lienholder holding said title for collateral for a certified copy of same upon a prescribed form duly sworn to by the owner or perfected lienholder and accompanied by a fee prescribed by this Chapter. Thereupon the commissioner shall issue a certified copy of said certificate of title to the person or perfected lienholder entitled to receive the certificate of title under the provisions of this Chapter. Said certified copy and all subsequent certificates of title issued in the chain of title originated by said certified copy shall be plainly marked across their face "duplicate copy", and any subsequent purchaser of said vehicle in the chain of title originating through such certified copy shall acquire only such rights in such vehicle as the original holder of said certified copy himself had. Any purchaser of such vehicle may at the time of such purchase require the seller of same to indemnify him and all subsequent purchasers of said vehicle against any loss which he or they may suffer by reason of any claim or claims presented upon the original certificate. In the event of the recovery of the original certificate of title by said owner or perfected lienholder, the party, ~~he~~ shall forthwith surrender same to the

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commissioner for cancellation or a statement of destruction from the perfected lienholder stating the original title has been destroyed.

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§728. Fees

The commissioner shall charge the following fees and no others:

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(10) Each certificate of title issued pursuant to a procedure established by R.S. 32:707.6 – ten dollars in addition to the eighteen dollars and fifty cents charged for each certificate of title as authorized pursuant to Paragraph (1) of this Section. The additional ten dollars shall be forwarded to the state treasurer for deposit into the Office of Motor Vehicles Customer Service and Technology Fund.

(11) The fees authorized by R.S. 32:707.2(C)(4).

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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