
DIGEST

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James

HB No. 804

Abstract: Changes definitions and penalty provisions and establishes requirements for deposits and down payments relative to the regulation of used motor vehicles.

Present law, for the purposes of regulation by the La. Used Motor Vehicle Commission, defines "motor vehicle" as any motor driven car, van, or truck required to be registered which is used for transporting passengers or goods, including motor homes, used motorcycles, used all-terrain vehicles, used recreational trailers, used boat trailers, used ambulances, used buses, used fire trucks, used conversion vehicles, used wreckers, and used semitrailers. Defines "used motor vehicle" as including used motor homes, used motorcycles, used all-terrain vehicles, used recreational vehicles, used trailers, used boat trailers, used ambulances, used buses, used fire trucks, used conversion vehicles, used wreckers, and used semitrailers.

Proposed law clarifies the definition of "motor vehicle" by referring to those motor-driven cars, vans, or trucks required to be registered pursuant to the Vehicle Registration License Tax Law, takes out references to "used" and includes recreational vehicles, travel trailers, hearses and marine products. Clarifies the definition of "used motor vehicle" as meaning any motor vehicle which has been previously titled to an ultimate purchaser. Definition changes are made to clean up present law inconsistencies created when certain regulatory provisions were moved from the La. Used Motor Vehicle Commission to the La. Motor Vehicle Commission.

Proposed law clarifies that the term "used motor vehicle dealer" in the regulation of used motor vehicles does not include anyone licensed by the La. Motor Vehicle Commission who sells used motor vehicles and who rents on a daily basis used motor vehicles.

Present law provides civil penalties for violations of the regulatory provisions, but provides that no civil penalty shall exceed \$2,000 for each day the violation continues and provides that on a second or subsequent violation, the penalty shall not exceed \$3,000 for each day the second or subsequent violation continues. Present law further provides that penalties imposed for violations of the provisions regulating dismantlers, parts recyclers, motor vehicle crushers, and scrapped motor vehicle dealers shall not exceed \$500 for each day the violation continues and provides that on a second or subsequent violation, the penalty shall not exceed \$1,000 for each day the second or subsequent violation continues.

Proposed law deletes present law penalties specified for violations of the provisions regulating dismantlers, parts recyclers, motor vehicle crushers, and scrapped motor vehicle dealers, subjecting those violations to the same penalties as all other violations under the used motor

vehicle regulatory provisions.

Present law allows the commission to revoke or suspend a license, issue a fine or penalty, or enjoin a used motor vehicle dealer, used parts or accessories dealer, used motor vehicle auctioneer or salesperson for certain violations of the regulatory provisions.

Proposed law retains present law and includes the violating of provisions relating to the proper disposition of certificates of title or permits to dismantle in connection with the purchase or sale of any used motor vehicle in the list of violations subject to penalty by the commission.

Present law provides for regulation of a rent with option-to-purchase program and defines "default" as the failure of a rental consumer to bring the account current within five days after the rent to own payment is due.

Proposed law retains present law and provides that "default" also means the failure of the rental consumer to maintain the minimum insurance required pursuant to the rental purchase agreement.

Proposed law defines "rent-to-own dealer" as any used motor vehicle dealer who rents used motor vehicles under a rental purchase agreement.

Proposed law requires every used motor vehicle dealer who accepts a deposit or down payment from a consumer to provide the consumer with a purchase agreement statement containing:

- (1) A complete description of the motor vehicle subject to the purchase agreement, including the make, model, year, and vehicle identification number.
- (2) The purchase price of the vehicle.
- (3) The amount of the deposit or down payment.
- (4) A statement identifying whether the funds received by the dealer are for deposit or down payment.
- (5) Any conditions necessary to complete the sale.

Proposed law further requires every used motor vehicle dealer who accepts a deposit or down payment from a consumer conditioned upon the consumer's ability to obtain financing of the remainder of the purchase price to return the deposit or down payment once it is determined that the consumer does not qualify for financing. Requires that if no determination regarding financing is made within 20 days, the deposit or down payment must be returned to the consumer.

(Amends R.S. 32:781(5), (12), and (13)(a), 788(B), 792(B)(16), 793(A)(intro. para.), (2), and (5); Adds R.S. 32:795)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Clarified the definition of "motor vehicle" by referring to those motor-driven cars, vans, or trucks required to be registered pursuant to the Vehicle Registration License Tax Law, takes out references to "used" and includes recreational vehicles, travel trailers, hearses, and marine products.
2. Clarified the definition of "used motor vehicle" as meaning any motor vehicle which has been previously titled to an ultimate purchaser.

3. Clarified that the term "used motor vehicle dealer" does not include anyone licensed by the La. Motor Vehicle Commission who sells used motor vehicles and who rents on a daily basis used motor vehicles.
4. Defined "rent-to-own dealer" as any used motor vehicle dealer who rents used motor vehicles under a rental purchase agreement.