AN ACT

To amend and reenact R.S. 32:707(I)(1)(b)(iv), relative to the application for certificates of ownership and salvage title for total loss motor vehicles; to provide requirements for lien satisfaction; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:707(I)(1)(b)(iv) is hereby amended and reenacted to read as follows:

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

*          *          *

I.(1)

*          *          *

(b) If an insurance company or its authorized agent is unable to obtain the certificate of title from the owner 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:

*          *          *

(iv) A release of lien executed by each current holder of a security interest in the motor vehicle. Alternatively, if after satisfaction of all liens, any lien that is
not released within seven days of satisfaction, an insurance company or its
authorized agent may submit proof of full payment and a copy of the most recent
letter of guarantee from each holder of a lien that has not been released indicating the
payoff amount. If payment is made by check, proof of payment shall consist of a
copy of the front and back of the paid check listing all endorsements of the named
payees. If payment is made by electronic transfer, proof of payment shall consist of
evidence of the payment transaction from the account of the payer, including
submission of a screenshot of payment. In addition, submission shall certify that any
payoff funds were not returned by the lienholder.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part
of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute
part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 790 Engrossed 2022 Regular Session Hollis

Abstract: Establishes alternative requirements for liens not released within seven days of
satisfaction.

Present law provides the requirements for an application for certificates of title, including
salvage title.

Present law specifies when, as the result of an insurance settlement, a motor vehicle is
declared to be a "total loss", as defined in present law, the insurance company, its authorized
agent, or the vehicle owner shall, within 30 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.

Present law provides the requirements for when an insurance company or its authorized
agent may submit an application for a salvage title and signed under penalty of perjury.

Proposed law retains present law and adds alternative requirements when a lien has not been
released within seven days of satisfaction.

Proposed law specifies an insurance company or its authorized agent may submit proof of
full payment and a copy of the most recent letter of guarantee from each holder of a lien that
has not been released indicating the payoff amount.

Proposed law specifies if payment is made by check, proof of payment must consist of the
front and back of the paid check listing all endorsements of the named payees. Further
specifies the evidence needed for electronic transfer payments, including a screenshot of
payment submissions along with a certification the payment was not returned.

(Amends R.S. 32:707(I)(1)(b)(iv))

CODING: Words in struck through type are deletions from existing law; words underscored
are additions.
Summary of Amendments Adopted by House

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

1. Make technical changes.

2. Remove a provision that prohibited the notarized signature or electronic signature of the owner who has received or is to receive a total loss settlement relative to any document, including an original or certified copy of a power of attorney, supporting an application for certificate of ownership or certificate of salvage title by an insurer or an agent of an insurer.

3. Modify proof of payment language when a lien has not been released in seven days to authorize the insurer or its agent to provide proof of full payment and a copy of the most recent letter of guarantee from the lien holder indicating the payoff amount.

4. Clarify that payments made by check must consist of a copy of the front and back of the paid check listing all endorsements of the named payees.

5. Add a requirement that any screenshot of payment submission certify that the payoff funds were not returned by the lienholder.