

2023 Regular Session

HOUSE BILL NO. 539

BY REPRESENTATIVE MACK

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

MOTOR VEHICLES: Provide relative to the authorization of the office of motor vehicles to impose fines on contracts

1 AN ACT

2 To amend and reenact R.S. 32:702(4) and R.S. 47:532.1(A)(3)(a), 532.2(A)(introductory  
3 paragraph) and (B) and to enact R.S. 47.532.1(A)(3)(c), relative to public tag agents;  
4 to authorize the office of motor vehicles to impose fines, in addition to other  
5 restrictions, on any contracts; to provide for definitions; to provide exceptions to  
6 public license tag agent surety bond requirements; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 32:702(4) is hereby amended and reenacted to read as follows:

9 §702. Definitions

10 \* \* \*

11 (4) "Auto title company" means any person, firm, association, or corporation  
12 which is engaged primarily in the transfer and recordation of sales, leases, or  
13 mortgages of vehicles including but not limited to mobile homes, trailers, and motor  
14 vehicles. The term "auto title company" also means any person, firm, association,  
15 ~~or corporation, local governmental subdivision, political subdivision, or state agency~~  
16 which has ~~been licensed~~ entered into a contract in accordance with the provisions of  
17 R.S. 32:735 et seq. An auto title company shall not mean an insurance company  
18 transferring titles to wrecked vehicles, or a licensed motor vehicle dealer, lending  
19 institution, financial institution regulated by state or federal authorities, notary,

1 attorney, or individual applicant unless it or he is doing business as an auto title  
2 company.

3 Section 2. R.S. 47:532.1(A)(3)(a) and 532.2(A)(introductory paragraph) and (B) are  
4 hereby amended and reenacted and R.S. 47:532.1(A)(3)(c) is hereby enacted to read as  
5 follows:

6 §532.1. Public license tag agents; auto title companies; rules and regulations; surety  
7 bonds; fees

8 A.

9 \* \* \*

10 (3) The commissioner shall promulgate rules and regulations to require all  
11 public license tag agents other than municipal and parish governing authorities to  
12 furnish security for the faithful performance of their duties as follows:

13 (a) Each public license tag agent other than a local governmental  
14 subdivision, including a municipal governing authority, a political subdivision, or a  
15 state agency, shall execute a good and sufficient surety bond with a surety company  
16 qualified to do business in Louisiana as surety, in a sum of one hundred thousand  
17 dollars should the public tag agent have only one office in this state and in a sum of  
18 one hundred twenty-five thousand dollars should the public tag agent have more than  
19 one office in this state, if surety bond is available for purchase, which bond shall  
20 name the Department of Public Safety and Corrections, office of motor vehicles as  
21 obligee and shall be subject to the condition that, if such public license tag agent  
22 shall, throughout the entire term of the bond, timely file with the office of motor  
23 vehicles all applications delivered to such public tag agent for filing, and all fees and  
24 taxes collected by such public license tag agent, the obligation shall be void. If the  
25 company does not do so, the obligation of the surety shall remain in full force and  
26 effect.

27 \* \* \*

28 (c) The commissioner shall promulgate rules and regulations to adopt and  
29 levy fines for violations of R.S. 47:532.1 and R.S. 47:532.2, any rule or regulation

1           adopted pursuant to R.S. 47:532.1 and R.S. 47:532.2, or of any violation of a contract  
 2           between the department and the public license tag agent. The administrative fine for  
 3           each violation of R.S. 47:532.1 and R.S. 47:532.2, any rule or regulation adopted  
 4           pursuant to R.S. 47:532.1 and R.S. 47:532.2, or of any violation of a contract  
 5           between the department and the public license tag agent shall not exceed the sum of  
 6           five hundred dollars.

7   \*           \*           \*

8           §532.2. Public tag agents; causes for suspension, revocation, cancellation, fines or  
 9   restrictions; reinstatement

10           A. The office of motor vehicles may suspend, revoke, cancel, impose a fine,  
 11           or impose other restrictions on any contract confected pursuant to R.S. 47:532.1 for  
 12           the following causes:

13   \*           \*           \*

14           B. Any person whose contract has been suspended, canceled, or revoked  
 15           during the effective term of the contract or who has been assessed a fine pursuant to  
 16           rules promulgated by the department may request an administrative hearing to  
 17           review the office of motor vehicles' action. A request for administrative review shall  
 18           stay the action of the office of motor vehicles.

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 539 Original

2023 Regular Session

Mack

**Abstract:** Authorizes the office of motor vehicles to impose fines in addition to suspension, revocations, cancellations, or other restrictions on any contract.

Present law defines "auto title company" as any person, firm, association, or corporation which is engaged in the transfer and recordation of sales, leases, or mortgages of vehicles. Specifies that the term "auto title company" also means any person, or entity licensed pursuant to present law. Further specifies that an auto title company does not mean an insurance company transferring titles to wrecked vehicles or other enumerated parties unless it or he is doing business as an auto title company.

Proposed law modifies present law by indicating that an "auto title company" also means a local governmental subdivision, a political subdivision, or a state agency. Changes present

law from applying to persons or entities who have been licensed to those who entered into a contract.

Present law requires each public license tag agent, other than a municipal governing authority, execute a surety bond with a qualified La. surety company in a sum of \$100,000 if the public tag agent has only one office in this state and in a sum of \$125,000 if the public tag agent has more than one office in this state.

Present law clarifies that the exception in present law is also applicable to a local governmental subdivision, a political subdivision, or a state agency.

Present law requires that the commissioner promulgate rules and regulations to adopt and levy fines for failure to remit taxes and fees collected from applicants for title transfers, operating as a public tag agent without a contract for each location, with an expired contract, or without a surety bond on file with the office of motor vehicles (OMV). Further specifies the OMV is empowered to issue an order to any person engaged in any activity, conduct, or practice constituting a violation public tag agents; causes for suspension or cease and desist order; injunctive relief or any rules or regulations adopted pursuant to either.

Proposed law modifies present law by specifying that any violation of a contract between the department and the public license agent, cannot exceed the sum of \$500.

Present law provides requirements for suspension, revocation, cancellation, or restrictions, and reinstatement of public tag agents.

Proposed law adds fines to present law.

Present law establishes that any person whose contract has been suspended, canceled, or revoked during the effective term of the contract may request an administrative hearing to review the actions of the OMV. Specifies that a request for administrative review will stay the action of the OMV.

Proposed law authorizes an administrative appeal for any public tag agent that has been assessed a fine pursuant to rules promulgated by the department.

(Amends R.S. 32:702(4) and R.S. 47:532.1(A)(3)(a) and 532.2(A)(intro. para.) and (B); Adds R.S. 47:532.1(A)(3)(c))