

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 \* \* \*

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

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

9 A.

10 \* \* \*

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

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

28 \* \* \*



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 that OMV is empowered to issue an order to any person engaged in any activity, conduct, or practice constituting a violation of provisions governing public tag agents.

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))

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the engrossed bill:

1. Make a technical change.