First Extraordinary Session, 2005

HOUSE BILL NO. 13

#### BY REPRESENTATIVE PINAC

# MTR VEHICLE/REGISTRATION: Provides that "total loss" water-damaged vehicles acquired by insurance companies shall not be issued a reconstructed title and shall be dismantled, crushed, or scrapped (Item #13)

| 1  | AN ACT   |
|----|--|
| 2  | To enact R.S. 32:702(14) and 707(I)(1)(c), relative to vehicles sustaining water damage as |
| 3  | the result of a declared disaster; to provide for a definition; to provide for disposal    |
| 4  | of water-damaged vehicles pursuant to an insurance settlement; to provide for              |
| 5  | restriction on transfer; and to provide for related matters.                               |
| 6  | Be it enacted by the Legislature of Louisiana:   |
| 7  | Section 1. R.S. 32:702(14) and 707(I)(1)(c) are hereby enacted to read as follows:         |
| 8  | §702. Definitions  |
| 9  | As used in this Chapter:   |
| 10 | * * *  |
| 11 | (14) "Water-damaged vehicle" means any vehicle, other than an antique                      |
| 12 | vehicle, whose power train, computer, or electrical system has been damaged by             |
| 13 | flooding as the result of a gubernatorially declared disaster or emergency.                |
| 14 | * * *  |
| 15 | §707. Application for certificates of title; exception; salvage title; restriction on      |
| 16 | transfer; antique vehicles; reconstructed title  |
| 17 | * * *  |
| 18 | I.(1)  |
| 19 | * * *  |

## Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1  | (c) When, as the result of an insurance settlement, a water-damaged motor                     |
|----|---|
| 2  | vehicle is declared to be a total loss, as defined in R.S. 32:702(11), the insurance          |
| 3  | company shall take possession of such vehicle within thirty days from the settlement          |
| 4  | of the property damages claim and send the certificate of title to the office of motor        |
| 5  | vehicles along with an application for a salvage title in the name of the insurance           |
| 6  | company.  |
| 7  | (i) Notwithstanding any other law to the contrary, no water-damaged vehicle                   |
| 8  | that is or has been declared a total loss pursuant to an insurance settlement shall be        |
| 9  | issued a reconstructed title or otherwise registered by the office of motor vehicles for      |
| 10 | use on the roads or highways of this state.   |
| 11 | (ii) Notwithstanding any other law to the contrary, no water-damaged vehicle                  |
| 12 | that is or has been declared a total loss pursuant to an insurance settlement shall be        |
| 13 | resold as a retail unit, and such vehicle shall be dismantled, crushed, or scrapped           |
| 14 | pursuant to Chapter 4-A of this Title.  |
| 15 | * * *   |
| 16 | Section 2. This Act shall become effective upon signature by the governor or, if not          |
| 17 | signed by the governor, upon expiration of the time for bills to become law without signature |
| 18 | by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  |
| 19 | vetoed by the governor and subsequently approved by the legislature, this Act shall become    |
| 20 | effective on the day following such approval.   |

# DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

#### Pinac

HB No. 13

Abstract: Provides that "total loss" water-damaged vehicles shall not be issued a reconstructed title and shall be dismantled, crushed, or scrapped.

<u>Proposed law</u> provides that a "water-damaged vehicle" means any vehicle, other than an antique vehicle, whose power train, computer, or electrical system has been damaged by flooding as the result of a gubernatorially declared disaster or emergency.

<u>Proposed law</u> provides that when, as the result of an insurance settlement, a water-damaged motor vehicle is declared to be a "total loss", as defined in <u>present law</u>, the insurance company shall take possession of such vehicle within 30 days from the settlement of the

### Page 2 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

property damages claim and send the certificate of title to the office of motor vehicles along with an application for a salvage title in the name of the insurance company.

<u>Proposed law</u> provides that no water-damaged vehicle that is declared a total loss shall be issued a reconstructed title or otherwise registered by the office of motor vehicles for use on the roads or highways of this state.

<u>Proposed law</u> provides that no water-damaged vehicle which is declared a total loss shall be resold as a retail unit, and such vehicle shall be dismantled, crushed, or scrapped pursuant to <u>present law</u>.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 32:702(14) and 707(I)(1)(c))