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## DIGEST

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Smiley

HB No. 11

**Abstract:** Provides for water-damaged vehicles that are a total loss to be issued a certificate of destruction and to be dismantled, sold for parts, and crushed.

Proposed law provides definitions for "water-damaged vehicle" and "certificate of destruction".

Present law requires disclosure by persons who transfer ownership of vehicles with salvage or reconstructed titles.

Proposed law retains present law and provides that a disclosure shall be required by persons who transfer ownership of vehicles that were issued certificates of destruction.

Proposed law provides that except as provided in proposed law, every owner of a water-damaged vehicle shall apply to the office of motor vehicles for a certificate of destruction within 30 days after the vehicle is determined to be water damaged as provided in proposed law. Proposed law further provides that a lienholder who possesses a certificate of title to a water-damaged vehicle shall send the certificate and other materials to the owner's insurer.

Proposed law provides that an insurance company that acquires ownership of a water-damaged vehicle pursuant to a settlement shall apply for the certificate of destruction within 30 days of the settlement.

Proposed law provides that any person who otherwise acquires ownership or possession of a water-damaged vehicle for which a certificate of destruction has not been issued shall apply for a certificate of destruction no more than 30 days after ownership or possession is acquired.

Proposed law provides that each application for a certificate of destruction shall be accompanied by the fee required for an original certificate of title.

Proposed law provides that upon receiving an application for a certificate of destruction, the office of motor vehicles shall issue a certificate of destruction that is conspicuously labeled with such designation and that contains the same information as other certificates of title.

Proposed law provides that no motor vehicle for which a certificate of destruction has been issued shall be later issued a salvage or reconstructed title or otherwise titled or registered by the office of motor vehicles for use on the roads or highways of this state.

Proposed law provides that no motor vehicle which has been issued a certificate of destruction

shall be resold as a retail unit, and such vehicle shall be dismantled, sold for parts, and crushed by a licensed motor vehicle crusher and sold for scrap.

Proposed law provides that notwithstanding present law to the contrary, a person who purchases or acquires a vehicle for which a certificate of destruction has been issued shall not be required to apply for or acquire a permit to dismantle. Proposed law provides that the certificate of destruction itself shall be sufficient for a motor vehicle crusher to crush the vehicle.

Proposed law provides that after the water-damaged vehicle has been crushed and scrapped, the owner shall surrender the certificate of destruction to the office of motor vehicles with the word recycled written or stamped across its face, and no certificate of title of any type shall be issued again for such vehicle.

Proposed law provides that the Dept. of Public Safety and Corrections may adopt rules and regulations necessary to carry out the provisions of proposed law.

Proposed law provides that whoever violates any provision of proposed law shall be guilty of a misdemeanor and upon conviction shall for each offense be punished by imprisonment of not more than six months or by fine not less than \$500 nor more than \$5,000, or both.

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

(Amends R.S. 32:706.1; Adds R.S. 32:702(14) and (15) and 707.3)

## Summary of Amendments Adopted by House

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

1. Changes the provision that requires vehicles issued a certificate of destruction to be crushed to provide that such vehicles shall be dismantled, sold for parts, and crushed.
2. Deletes the provision that states that the exterior sheet metal parts of the vehicle may be sold as used parts.