

2016 Regular Session

ACT No. 606

HOUSE BILL NO. 1127

BY REPRESENTATIVE HOWARD AND SENATOR THOMPSON

1 AN ACT

2 To amend and reenact R.S. 32:735(C), (D), and (E) and 736(A), relative to auto title
3 companies; to provide relative to contracts between the Department of Public Safety
4 and Corrections, office of motor vehicles, and auto title companies; to provide
5 relative to fees charged to auto title companies; to provide relative to the surety bond
6 required of auto title companies; to extend contracts of auto title companies; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 32:735(C), (D), and (E) and 736(A) are hereby amended and
10 reenacted to read as follows:

11 §735. Auto title companies; licensing; regulation; fees, suspension, and revocation;
12 domicile; surety bonds; expiration and renewal dates

13 * * *

14 C. ~~An annual~~ A biennial fee of ~~two hundred dollars~~ four hundred dollars
15 shall be collected from a person seeking to contract with the department prior to the
16 person commencing to act as an auto title company as provided in this Section. The
17 contract and bond shall be valid for additional locations when such locations are
18 under the same ownership, management, and control as that of the authorized auto
19 title company. However, for the initial contract request and for each subsequent
20 contract request, the auto title company shall pay an additional ~~fifty dollars~~ one
21 hundred dollars for each additional location.

D. Every contract between the department and an authorized auto title company; authorized by this Section shall expire as of the first day of June two years following the year in which such license was issued and may be automatically renewed by the Department of Public Safety and Corrections, office of motor vehicles. ~~The department may provide that contracts may be subject to automatic renewal by rule.~~

E. Each contract perfected pursuant to this Section shall be renewed ~~annually~~ biennially at least sixty days in advance of the expiration date of the contract by submitting to the office of motor vehicles an application for renewal upon a form supplied by that office, together with the renewal fee and the surety bond for the renewal period.

§736. Surety bond required; amount and conditions of surety bond; filing of bond

A. Each auto title company shall execute a good and sufficient surety bond with a surety company qualified to do business in Louisiana as surety, in the sum of ~~ten thousand dollars~~ one hundred thousand dollars should the auto title company have only one location in this state and in a sum of one hundred twenty-five thousand dollars should the auto title company have more than one location in this state, if such surety bond is available for purchase. Such bond shall name the Department of Public Safety and Corrections, office of motor vehicles as obligee and shall be subject to the condition that, if the auto title company shall, throughout the entire term of the bond, timely file with the office of motor vehicles all applications delivered to the auto title company for filing, and timely remit all fees and taxes collected, the obligation shall be void. If the company fails to meet the conditions of the bond, the obligation of the surety shall remain in full force and effect. ~~An auto title company having multiple locations need furnish only a single twenty thousand dollar surety bond.~~

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Section 2. An auto title agent with an existing contract with the Department of Public Safety and Corrections, office of motor vehicles, as of the effective date of this Act, shall not be required to obtain a surety bond in the amounts required by R.S. 32:736(A) as

1 amended by this Act until the renewal date of the contract. Thereafter, all auto title
2 companies shall be required to obtain surety bonds in the amounts required by the provisions
3 of R.S. 32:736(A) as amended by this Act.

4 Section 3. A contract between an auto title company and the Department of Public
5 Safety and Corrections, office of motor vehicles, executed in 2016 but prior to the effective
6 date of this Act shall be extended for one year without need for amendment of the contract
7 upon payment by the auto title company of a two hundred dollar fee for the company and
8 a fifty dollar fee for each additional auto title company location.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____