

## RÉSUMÉ DIGEST

**ACT 606 (HB 1127)**

**2016 Regular Session**

**Howard**

Relative to auto title companies, existing law defines "auto title company", in part, to mean "any person, firm, association, or corporation which is engaged primarily in the transfer and recordation of sales, leases, or mortgages of vehicles including but not limited to mobile homes, trailers, and motor vehicles."

New law retains existing law.

Existing law authorizes auto title companies who have confected a contract with the Dept. of Public Safety and Corrections, office of motor vehicles, to issue temporary registrations in certain circumstances.

New law retains existing law.

Prior law required an annual fee of \$200 to be collected from a person seeking to contract with the Dept. of Public Safety and Corrections, office of motor vehicles, prior to the person commencing to act as an auto title company. Required the auto title company to pay an additional \$50 for each additional location.

New law changes the fee to \$400 biennially and \$100 for each additional location.

Prior law required every contract between Dept. of Public Safety and Corrections, office of motor vehicles, and an authorized auto title company, to expire the first day of June following the year in which such license was issued and provided that contracts may have been subject to automatic renewal by rule.

New law requires every contract between Dept. of Public Safety and Corrections, office of motor vehicles, and an authorized auto title company, to expire the first day of June two years following the year in which such license was issued. Authorizes the department to automatically renew such license.

Prior law required each auto title company to execute a \$10,000 surety bond for one location and a \$20,000 surety bond for multiple locations.

New law requires a \$100,000 surety bond for only one location and a \$125,000 surety bond for multiple locations.

Existing law provides that each contract perfected under existing law shall be renewed annually 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.

New law changes the contract renewal time from annual to biennial.

New law exempts auto title companies under contract on August 1, 2016 from the increased surety amounts until their contract renewal date.

New law extends contracts executed prior to August 1, 2016 for one additional year without need for amendment to the contract upon payment of the required \$200 fee plus an additional \$50 fee for each additional location.

Effective August 1, 2016.

(Amends R.S. 32:735(C), (D) and (E) and 736(A))