
DIGEST

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HB 1127 Original

2016 Regular Session

Howard

Abstract: Relative to auto title companies; increases the contract duration and surety requirements and provides for additional requirements for documentation given to the Dept. of Public Safety and Corrections, office of motor vehicles.

Present law and present regulation require an annual fee of \$200 for such contracts with an additional annual fee of \$50 for each additional location. Proposed law and proposed regulation change the fee for each contract to \$400 biannually and \$100 for each additional location.

Present law and present regulation provide for annual contracts. Proposed law and proposed regulation provide for two-year contracts.

Present law requires each auto title company to execute a \$10,000 surety bond for one location and a \$20,000 surety bond for multiple locations. Proposed law requires a \$100,000 surety bond for only one location and a \$125,000 surety bond for multiple locations.

Proposed law requires that license plates be made available to each auto title company payment in advance of the costs of production of the plates. Provides for repayment of the advance by the office of motor vehicles upon issuance of the plate pursuant to a registration transaction.

Proposed law requires auto title companies to submit to the office of motor vehicles images of documents required to be kept in the document image repository. Further requires auto title companies to submit electronic notification to the office of motor vehicles when a license plate has been removed and destroyed.

Proposed law exempts auto title companies under contract on the effective date of the Act from the increased surety amounts until their contract renewal date. Proposed law extends contracts executed prior to the effective date of the Act 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.

(Amends R.S. 32:735(C) and (D), and 736(A) and LAC 55:III.1507(A) and 1509(A); Adds R.S. 32:739 and 740)