
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 533 Original

2015 Regular Session

Price

Abstract: Provides for definitions and amends restrictions imposed on rental purchase agreements and advertising relative to the regulation of used motor vehicles.

Present law defines the term "scrap metal processor". Proposed law modifies the definition by adding that any person or entity engaged in the business of storing scrap metal will also be considered a "scrap metal processor". Proposed law also adds a statutory reference to the definition of "scrap metal" within this definition of "scrap metal processor".

Present law authorizes the Louisiana Used Motor Vehicle Commission ("commission") to revoke or suspend a license, issue a fine or penalty, or enjoin a used motor vehicle dealer, dealer of used parts or used accessories of motor vehicles, used motor vehicle auctioneer, or salesperson for the use of false, misleading, or unsubstantiated advertising in connection with his business. Present law includes a nonexclusive list enumerating examples of false, misleading, or unsubstantiated advertising. Proposed law adds advertising that uses the words "certified" or "certification" or other similar terms without having proof of a bona fide certification process to the enumerated list of false, misleading, or unsubstantiated advertising.

Present law requires all rental purchase agreements to have a provision indicating the amount of the security deposit required by the rental dealer and the conditions under which that security deposit is either refundable or nonrefundable. Proposed law prohibits the security deposit from being nonrefundable. Present law prohibits these security deposits from exceeding the rental dealer's documented cost of the vehicle. Proposed law prohibits these security deposits from exceeding 30% of the rental dealer's documented cost of the vehicle. Further, proposed law adds a provision to specify that the purpose of the security deposit is to secure payment for any damage to the rental vehicle that is beyond normal wear and tear and for any extraordinary repairs beyond normal maintenance.

Present law prohibits rental purchase agreements from including any provision that authorizes a rental dealer or an agent of the rental dealer to commit a breach of the peace in the repossession of rental property or to take repossession of rental property in any manner other than what is permitted in present law relative to criminal offenses. Proposed law prohibits rental purchase agreements from including any provision that authorizes a rental dealer or an agent of the rental dealer to take repossession unless the rental consumer fails to cure a default within five days of the mailing of notice of default or actual notice of default, whichever is later.

Present law defines "broker". Present law provides for circumstances in which the commission may

revoke or suspend a license, issue a fine or penalty, or enjoin a used motor vehicle broker. Proposed law removes the definition of and all references to "broker".

(Amends R.S. 32:781(9) and 793(B)(4)(d) and (C)(2); Adds R.S. 32:792(B)(17)(j); Repeals R.S. 32:781(1) and 792(C))