

2015 Regular Session

HOUSE BILL NO. 533

BY REPRESENTATIVE PRICE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MOTOR VEHICLES: Provides relative to the regulation of used motor vehicles

1 AN ACT

2 To amend and reenact R.S. 32:781(9) and 793(B)(4)(d) and (C)(2), to enact R.S.  
3 32:792(B)(17)(j), and to repeal R.S. 32:781(1) and 792(C), relative to the regulation  
4 of used motor vehicles; to provide for definitions; to amend requirements for security  
5 deposits applicable to rental purchase agreements; to restrict repossession provisions  
6 in rental purchase agreements; to require a bona fide certification process for certain  
7 advertising; to eliminate references to "brokers"; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 32:781(9) and 793(B)(4)(d) and (C)(2) are hereby amended and  
10 reenacted and R.S. 32:792(B)(17)(j) is hereby enacted to read as follows:

11 §781. Definitions

12 As used in this Chapter:

13 \* \* \*

14 (9) "Scrap metal processor" means any person, ~~firm~~, or ~~corporation~~ entity  
15 engaged in whole or in part in the business of obtaining and storing scrap metal, as  
16 defined by R.S. 37:1962, whose origin ~~may have~~ included abandoned, wrecked, or  
17 junked motor vehicles for ~~scrap, shredding, or recycling as scrap metal~~.

18 \* \* \*

19 §792. Denial, revocation, or suspension of license; grounds; unauthorized acts

20 \* \* \*

1           B. The commission may revoke or suspend a license, issue a fine or penalty,  
2 or enjoin a used motor vehicle dealer, dealer in used parts or used accessories of  
3 motor vehicles, used motor vehicle auctioneer, or salesperson for any of the  
4 following conduct:

5   \*       \*       \*

6           (17) Use of false, misleading, or unsubstantiated advertising in connection  
7 with his business. For the purpose of this Paragraph, false, misleading, or  
8 unsubstantiated advertising in connection with the sale of a used motor vehicle shall  
9 include but not be limited to the following:

10   \*       \*       \*

11           (j) Use of the words "certified", "certification", or other similar terms without  
12 having proof of a bona fide certification process.

13   \*       \*       \*

14           §793. Rent with option-to-purchase program

15   \*       \*       \*

16           B. All rental purchase agreements are required:

17   \*       \*       \*

18           (4) To have provisions substantially equivalent to the following:

19   \*       \*       \*

20           (d) A provision indicating the amount of the security deposit required by the  
21 rental dealer for the purpose of securing payment for any damage to the rental  
22 vehicle beyond normal wear and tear and for extraordinary repairs beyond normal  
23 maintenance ~~and the conditions under which the said security deposit shall be~~  
24 ~~refundable or nonrefundable~~; however, no security deposit shall exceed thirty percent  
25 of the rental dealer's documented cost of the vehicle and the amount of the security  
26 deposit shall be refundable.

27   \*       \*       \*

28           C. A rental purchase agreement may not contain a provision:

29   \*       \*       \*



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))