

2016 Regular Session

HOUSE RESOLUTION NO. 153

BY REPRESENTATIVE CARMODY

A RESOLUTION

To urge and request the office of motor vehicles within the Department of Public Safety and Corrections, the Louisiana Used Motor Vehicle Commission, and the Department of Revenue to jointly conduct a study analyzing the feasibility of creating a statewide database, to determine effectiveness of the database, and to make a report of the findings of the study.

WHEREAS, the office of motor vehicles within the Department of Public Safety and Corrections has maintained the auto hulk database since July 1, 2010, pursuant to R.S. 32:718, wherein licensed automotive dismantlers and secondary metal processors are required to report their intent to dismantle a vehicle; and

WHEREAS, the office of motor vehicles within the Department of Public Safety and Corrections is responsible for titling vehicles and collecting and remitting state sales taxes for reconstructed vehicles to the Department of Revenue at the time of registration of the vehicle; and

WHEREAS, R.S. 32:784 requires used motor vehicle dealers, dismantlers, parts recyclers, motor vehicle auctions, and salvage pools to be licensed by the Louisiana Used Motor Vehicle Commission; and

WHEREAS, R.S. 32:781(13) states, in pertinent part, that a "used motor vehicle dealer" means "any person, partnership, corporation, limited liability company, or other entity who, for a commission or with intent to make a profit or gain of money or other thing of value, buys, sells, brokers, exchanges, rents with option to purchase, auctions at retail or public, offers, or attempts to negotiate a sale or exchange of an interest in used motor vehicles and who is engaged wholly or in part in the business of buying and selling used motor vehicles" and that "a person shall be presumed to be engaged in the business of selling used motor vehicles if he sells five or more used motor vehicles in any twelve-month period"; and

WHEREAS, Louisiana currently allows the sale of wrecked or repairable motor vehicles to both licensed and unlicensed individuals or entities; and

WHEREAS, unlicensed purchasing of wrecked or repairable motor vehicles via the internet has created an unregulated and unlicensed market for used motor vehicles; and

WHEREAS, wrecked or repairable motor vehicles purchased in Louisiana can be used to repair vehicles in Louisiana that are subsequently sold to out-of-state individuals or entities registered in other states or foreign jurisdictions thereby depriving Louisiana of properly due taxes on wrecked or repairable motor vehicles that are dismantled for parts to reconstruct repairable vehicles; and

WHEREAS, unlicensed activity in the wrecked or repairable motor vehicles market will continue to increase without coordination of the state agencies that are responsible for regulating and titling wrecked or repairable motor vehicles and determining whether a transaction is taxable; and

WHEREAS, the purchase of wrecked or repairable motor vehicles by unlicensed individuals or entities often lacks accountability or traceability presenting various challenges for law enforcement; and

WHEREAS, current federal regulations do not provide adequate resources to state and local agencies for the purpose of overseeing and enforcing transactions involving the sale and purchase of a multitude of wrecked or repairable motor vehicles; and

WHEREAS, the Louisiana Used Motor Vehicle Commission has the authority to regulate used motor vehicle dealers, dealers of used parts or used accessories of motor vehicles, dismantlers, parts recyclers, and salvage pools.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the office of motor vehicles within the Department of Public Safety and Corrections, the Louisiana Used Motor Vehicle Commission, and the Department of Revenue to do the following:

(1) Jointly conduct a study analyzing the feasibility of creating a statewide database for the purpose of tracking transactions involving the sale of wrecked or repairable motor vehicles to unlicensed individuals or entities.

(2) Determine whether such a statewide database would assist in identifying unlicensed activity, lost tax revenue from transactions, violations of current statutes, or any

other similar concerns related to sales of wrecked or repairable motor vehicles to unlicensed individuals or entities which could be resolved or improved.

(3) Make a written report of their findings and recommendations of the study and submit the report to the House Committee on Commerce no later than January 16, 2017.

BE IT FURTHER RESOLVED that a copy of this Resolution shall be transmitted to the commissioner of the office of motor vehicles within the Department of Public Safety and Corrections, the secretary of the Department of Revenue, and the chairman and executive director of the Louisiana Used Motor Vehicle Commission.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES