

2024 Regular Session

SENATE BILL NO. 461

BY SENATOR WHEAT

MOTOR VEHICLES. Merges the Louisiana Used Motor Vehicle Commission into the Louisiana Motor Vehicle Commission. (gov sig)

AN ACT

To amend and reenact R.S. 32:1251, 1252(20), (21), (34), (39), (67), (68)(a), the introductory paragraph of (68)(b), (68)(b)(iii) through (v), and (69), the introductory paragraph of 1253(A), the introductory paragraph of 1253(A)(1), 1253(A)(2), 1254(A)(6), (9), (10), (11), (16), and (17), (B)(1)(b) and (2), (F), (I), (J), (K), (M), (N), (O), and (P), 1255(A)(2) and (3), the introductory paragraph of 1261(A), 1261(A)(2)(c), the introductory paragraph of 1261(A)(3), the introductory paragraph of 1261(A)(6), and 1261(A)(7), to enact R.S. 32:1252(76) through (95), 1253.1, 1254(A)(20) through (26) and (M) through (U), 1261(A)(6) through (10), (11)(d), and (12), and to repeal R.S. 32:781 through 809, 1252(36) through (38), (48)(a), (49)(b), (61), (63), (65), (66), (68)(b)(vi), (70), (71), and (72), and 1261(B), relative to the merger of the Louisiana Used Motor Vehicle Commission into the Louisiana Motor Vehicle Commission; to provide for consolidation of laws governing the sale of used motor vehicles into the laws governing the sale of new motor vehicles; to provide for definitions; to provide for transfer of duties and functions; to provide for transfer of property; to provide for transfer of employees; to provide for an effective date; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 32:1251, 1252(20), (21), (34), (39), (67), (68)(a), the introductory  
3 paragraph of (68)(b), (68)(b)(iii) through (v), and (69), the introductory paragraph of  
4 1253(A), the introductory paragraph of 1253(A)(1), 1253(A)(2), 1254(A)(6), (9), (10), (11),  
5 (16), and (17), (B)(1)(b) and (2), (F), (I), (J), (K), (M), (N), (O), and (P), 1255(A)(2) and (3),  
6 the introductory paragraph of 1261(A), 1261(A)(2)(c), the introductory paragraph of  
7 1261(A)(3), the introductory paragraph of 1261(A)(6), and 1261(A)(7) are hereby amended  
8 and reenacted and R.S. 32:1252(76) through (95), 1253.1, 1254(A)(20) through (26) and (M)  
9 through (U), 1261(A)(6) through (10), (11)(d), and (12) are hereby enacted to read as  
10 follows:

11 §1251. Declaration of public policy

12 The legislature finds and declares that the distribution and sale of motor  
13 vehicles and recreational products in the state of Louisiana vitally affects the general  
14 economy of the state, the public interest, and the public welfare, and that in order to  
15 promote the public interest, and the public welfare, and in the exercise of its police  
16 power, it is necessary to regulate and to license those persons enumerated in R.S.  
17 32:1254 and doing business in Louisiana, in order to prevent frauds, impositions, and  
18 other abuses upon its citizens, and avoid undue control of the independent motor  
19 vehicle ~~dealer~~ **dealers** and recreational products **dealers** by ~~their motor vehicle~~  
20 manufacturing and distributive organizations and foster and keep alive vigorous and  
21 healthy competition, by prohibiting unfair practices by which fair and honest  
22 competition is destroyed or prevented, and to protect the public against the creation  
23 or perpetuation of monopolies and practices detrimental to the public welfare, to  
24 prevent the practice of requiring the buying, leasing, or renting of special features,  
25 appliances, and equipment not desired or requested by the purchaser, lessee, or  
26 renter, to prevent false and misleading advertising, to prevent unfair practices by said  
27 licensees, to promote the public safety and prevent disruption of the system of  
28 distribution of motor vehicles and recreational products to the public and prevent  
29 deterioration of facilities for servicing motor vehicles and keeping same safe and

1 properly functioning, and prevent bankrupting of motor vehicle and recreational  
 2 products dealers and lessors, who might otherwise be caused to fail because of such  
 3 unfair practices and competition, thereby resulting in unemployment, disruption of  
 4 leases, and nonpayment of taxes and loans, and contribute to an inevitable train of  
 5 undesirable consequences, including economic depression.

6 §1252. Definitions

7 The following words, terms, and phrases, when used in this Chapter, shall  
 8 have the meanings respectively ascribed to them in this Section, except where the  
 9 context clearly indicates a different meaning:

10 \* \* \*

11 (20) "Franchise" means any written contract or selling agreement between a  
 12 motor vehicle or recreational products dealer, a ~~motor~~ vehicle lessor, or a specialty  
 13 vehicle dealer and a manufacturer, ~~motor~~ vehicle lessor franchisor, or converter of  
 14 a new motor vehicle or specialty vehicle or its distributor or factory branch by which  
 15 the motor vehicle or recreational products dealer, ~~motor~~ vehicle lessor, or specialty  
 16 vehicle dealer is authorized to engage in the business of selling or leasing the  
 17 specific makes, models, or classifications of new motor vehicles, recreational  
 18 products, or specialty vehicles marketed or leased by the manufacturer, motor  
 19 vehicle lessor franchisor, or converter and designated in the franchise agreement or  
 20 any addendum thereto. For purposes of this Chapter, any written modification,  
 21 amendment, or addendum to the original franchise agreement, which changes the  
 22 rights and obligations of the parties to the original franchise agreement, shall  
 23 constitute a new franchise agreement, effective as of the date of the modification,  
 24 amendment, or addendum.

25 (21) "Lease facilitator" means a person, other than a motor vehicle or  
 26 recreational products dealer or a bona fide employee of a motor vehicle or  
 27 recreational products dealer, or a ~~motor~~ vehicle lessor or a bona fide employee of a  
 28 motor vehicle lessor, who engages in one or both of the following activities:

29 (a) Holds himself out to any person as a "~~motor~~ vehicle leasing company" or

1 "motor vehicle leasing agent" or uses a similar title, for the purpose of soliciting or  
 2 procuring a person to enter into a contract or agreement to become the lessee of a  
 3 motor vehicle or recreational product that is not, and will not be, titled in the name  
 4 of and registered to the lease facilitator.

5 (b) Otherwise solicits a person to enter into a contract or agreement to  
 6 become a lessee of a vehicle that is not, and will not be, titled in the name of and  
 7 registered to the lease facilitator, or who is otherwise engaged in the business of  
 8 securing lessees or prospective lessees of motor vehicles or recreational products that  
 9 are not, and will not be, titled in the name of and registered to the facilitator.

10 \* \* \*

11 (34) "Motor vehicle" means any motor driven ~~car, van, or truck~~ **vehicle**  
 12 required to be registered which is used, or is designed to be used, for the transporting  
 13 of passengers or goods for public, private, commercial, or for hire purposes.

14 \* \* \*

15 (39) "~~Motor vehicle~~ **Vehicle** salesman" means any natural person employed  
 16 by a licensee of the commission whose duties include the auctioning, selling, leasing,  
 17 or offering for sale or lease, financing or insuring motor vehicles, recreational  
 18 products, or specialty vehicles on behalf of said licensee.

19 \* \* \*

20 (67) "Used ~~motor~~ vehicle" means a motor vehicle, recreational product, or  
 21 specialty vehicle, the legal title of which has been transferred by a manufacturer,  
 22 distributor, or dealer to an ultimate purchaser.

23 (68)(a) "Used ~~motor~~ vehicle dealer" means any person, whose business is to  
 24 sell, or offer for sale, display, or advertise used ~~motor~~ vehicles, recreational products,  
 25 or specialty vehicles, or any person who holds a license from the commission and is  
 26 not excluded by Subparagraph (b) of this Paragraph. **A person shall be presumed**  
 27 **to be engaged in the business of selling used vehicles if he sells five or more used**  
 28 **vehicles in any twelve-month period which vehicles are not registered to and**  
 29 **insured by members of the individual's household, immediate family members,**

1 or legal entities in which the individual has an ownership interest or which  
2 employ the individual. An entity shall be presumed to be engaged in the  
3 business of selling used vehicles if the entity sells five or more used vehicles  
4 which are not registered to and insured by the entity or by an entity affiliated  
5 with the entity receiving anything of value.

6 (b) "Used ~~motor~~ vehicle dealer" shall not include any of the following:

7 \* \* \*

8 (iii) Employees of persons, corporations, or associations enumerated in the  
9 definition of "used ~~motor~~ vehicle dealer" when engaged in the specific performance  
10 of their duties as such employees.

11 (iv) Mortgagees or secured parties as to sales of ~~motor~~ vehicles constituting  
12 collateral on a mortgage or security agreement and who do not maintain a used car  
13 lot or building with one or more employed ~~motor~~ vehicle salesman.

14 (v) Insurance companies who sell ~~motor~~ vehicles to which they have taken  
15 title as an incident of payments made under policies of insurance and who do not  
16 maintain a used car lot or building with one or more employed motor vehicle  
17 salesman.

18 \* \* \*

19 (69) "Used ~~motor~~ vehicle facility" means any facility which is owned and  
20 operated by a licensee of the commission and offers for sale used motor vehicles,  
21 recreational products, or specialty vehicles.

22 \* \* \*

23 (76) "Catalytic converter" means an exhaust emission control device that  
24 reduces toxic gas and pollutants from internal combustion engines.

25 (77) "Catalytic converter dealer" means a person licensed by the  
26 commission to purchase or sell used or detached catalytic converters pursuant  
27 to the provisions of this Part.

28 (78) "Consummation" means the time a renter becomes contractually  
29 obligated on a vehicle rental purchase agreement.

1           **(79) "Default" means the failure of a rental consumer to bring the rental**  
2           **account current within five days after the rental payment is due or the failure**  
3           **of the rental consumer to maintain minimum insurance required pursuant to**  
4           **a rental purchase agreement.**

5           **(80) "Dismantler and parts recycler" means a person engaged in whole**  
6           **or in part in the business of acquiring and dismantling, disassembling, or**  
7           **repairing wrecked, abandoned, or repairable motor vehicles or selling the**  
8           **usable parts thereof, or selling such wrecked, abandoned, or repairable motor**  
9           **vehicles as a unit of wholesale, or selling such repaired motor vehicles as a unit**  
10           **at wholesale. For purposes of this Chapter, a person, firm, or corporation shall**  
11           **be presumed to be engaging in the business of a dismantler and parts recycler**  
12           **if such person possesses ten or more inoperable motor vehicles for more than**  
13           **thirty days, except when such inoperable motor vehicles are being held by a:**

14                   **(a) Licensed tow truck owner or operator.**

15                   **(b) Scrap metal processor to recycle the scrap metal.**

16                   **(c) Bona fide repair business awaiting repairs.**

17           **(81) "Dismantler and parts recycler sales representative" shall include**  
18           **anyone who, for compensation of any kind, sells or brokers any used motor**  
19           **vehicle or any usable part of a used motor vehicle.**

20           **(82) "Motor vehicle crusher" means any person engaged in whole or in**  
21           **part in the business of purchasing and crushing or compacting motor vehicles**  
22           **and selling the crushed or compacted vehicle for scrap.**

23           **(83) "Processing fee" means those administrative fees that a rent-to-own**  
24           **dealer may charge to a rental consumer to initiate a rental purchase agreement,**  
25           **however designated.**

26           **(84) "Public or retail vehicle auction" means the act of any person**  
27           **engaging in, for a commission, compensation, or other consideration, the**  
28           **business of providing vehicle auction services at an established place of business**  
29           **which is not open exclusively to dealers, dismantlers, and parts recyclers.**

1           **(85) "Rental consumer" means a natural person who rents with an**  
2           **option-to-purchase a used vehicle under a vehicle rent with option-to-purchase**  
3           **agreement.**

4           **(86) "Rental purchase agreement" means a vehicle rent with**  
5           **option-to-purchase agreement for the rent of a used vehicle by a rent-to-own**  
6           **dealer in favor of a rental consumer, for personal, family, or household**  
7           **purposes for a period of not less than twelve months.**

8           **(87) "Rent-to-own dealer" means a used vehicle dealer who rents used**  
9           **vehicles under a rental purchase agreement.**

10           **(88) "Salvage pool or salvage disposal sale" means a scheduled sale at**  
11           **auction or by private bid of wrecked or repairable motor vehicles by insurance**  
12           **companies, or by used vehicle dealers, or automotive dismantlers and parts**  
13           **recyclers licensed by the commission.**

14           **(89) "Scrap metal processor" means any person engaged in the business**  
15           **of obtaining and storing scrap metal, as defined by R.S. 37:1962, whose origin**  
16           **included abandoned, wrecked, or junked motor vehicles for recycling.**

17           **(90) "Used parts or accessories of motor vehicles" any item removed**  
18           **from a used motor vehicle for the purpose of resale, except used batteries, wheel**  
19           **covers and hubcaps, and tires. Used parts and accessories do not include rebuilt**  
20           **or remanufactured parts and accessories.**

21           **(91) "Used parts or accessories vehicle dealer" means any person, whose**  
22           **business is to sell, or offer to sell, display, or advertise used parts or accessories**  
23           **of motor vehicles as defined in this chapter.**

24           **(92)(a)"Vehicle lessor" means any person, not excluded by**  
25           **Subparagraph (b) of this Paragraph, engaged in the motor vehicle, recreational**  
26           **products, or specialty vehicle leasing or rental business. It shall also include a**  
27           **subsidiary of any such entity.**

28           **(b) The term "vehicle lessor" shall not include any of the following:**

29           **(i) Receivers, trustees, administrators, executors, guardians, or other**

1 persons appointed by or acting under judgment or order of any court.

2 (ii) Public officers while performing or in the operation of their duties.

3 (iii) Employees of persons, corporations, or associations enumerated in  
4 Item (i) of this Subparagraph when engaged in the specific performance of their  
5 duties as such employees.

6 (iv) Financial institutions engaged in the leasing of vehicles, recreational  
7 products, or specialty vehicles.

8 (93) "Vehicle lessor agent" means any natural person, other than a daily  
9 rental person, employed by a vehicle lessor licensed by the commission whose  
10 duties include the leasing, renting or offering for lease or rent motor vehicles,  
11 recreational products, or specialty vehicles on behalf of said vehicle lessor.

12 (94) "Vehicle lessor franchisor" means any person who grants a  
13 franchise to any person granting the right to lease or rent a vehicle, recreational  
14 product, or specialty vehicle under its trade name, trademark, or service mark  
15 or to sell used vehicles, recreational products, or specialty vehicles formerly a  
16 part of its rental fleet.

17 (95) "Wholesale vehicle auction" means the act of any person,  
18 partnership, corporation, limited liability company, or other entity engaging in,  
19 for a commission, compensation, or other consideration, the business of  
20 providing wholesale used vehicle auction services at an established place of  
21 business which is open exclusively to licensed dealers, dismantlers, and parts  
22 recyclers.

23 §1253. Motor Vehicle Commission; appointment and qualifications of members;  
24 terms of office; organization; oath; official bond; compensation;  
25 powers and duties

26 A. The Louisiana Motor Vehicle Commission is hereby created within the  
27 office of the governor and shall be composed of ~~eighteen~~ twenty-two members  
28 appointed by the governor, as follows:

29 (1) A chairman of the commission shall be appointed from the state at large.





1           seminars.

2                   (3) Require seminar attendees to complete a test comprised of ten  
3                   questions approved by the commission and to obtain a minimum score of  
4                   seventy percent in order to receive credit for satisfactory completion of the  
5                   seminar.

6                   (4) Require that an initial license application seminar shall not exceed six  
7                   hours in length and require that a renewal application seminar shall not exceed  
8                   four hours in length.

9                   (5) Approve and create a uniform certificate to be issued upon  
10                   satisfactory completion of an educational seminar.

11                   B. Each initial license application shall be accompanied by a certificate  
12                   issued by the commission, as described in Subsection D of this Section,  
13                   documenting that a minimum of one owner, partner, officer, or local dealership  
14                   manager of the dealer applicant has completed an educational seminar. For  
15                   each initial license application seminar, the seminar shall include materials  
16                   from the Department of Public Safety and Corrections, office of motor vehicles,  
17                   the Department of Revenue, and any other information the commission deems  
18                   necessary to educate attendees and their employees regarding compliance with  
19                   the law.

20                   C. Each licensee seeking to renew his license shall certify that the owner,  
21                   partner, officer, or local dealership manager of the dealer has completed an  
22                   educational seminar prior to filing the renewal application with the commission.  
23                   Any renewal application and seminar certification shall be completed during  
24                   the license period.

25                   D.(1) The commission may approve any educational institution, private  
26                   vocational school, correspondence school, or trade association that meets its  
27                   requirements to conduct educational seminars as required by this Section.

28                   (2) Any educational institution, private vocational school,  
29                   correspondence school, or trade association approved pursuant to Paragraph

1 **(1) of this Subsection shall be reapproved by the commission every two years.**

2 **(3) Any educational institution, private vocational school,**  
3 **correspondence school, or trade association administering an educational**  
4 **seminar shall issue the uniform certificate of completion approved by the**  
5 **commission as required by Subsection A of this Section upon an attendee's**  
6 **satisfactory completion of the seminar.**

7 §1254. Application for license; requirements for licensure; contents; licenses;  
8 franchise filings; exceptions

9 A. The following persons shall be licensed by the commission in order to  
10 engage in business in the state of Louisiana, regardless of whether or not said person  
11 maintains or has a place or places of business in this state, and it is a violation of this  
12 Chapter to operate without first obtaining a license:

13 \* \* \*

14 ~~(6) Used motor vehicle facilities operated by new motor vehicles dealers,~~  
15 ~~motor vehicle lessors, specialty vehicles dealers, or recreational products dealers.~~

16 \* \* \*

17 (9) ~~Motor vehicle~~ **Vehicle** lessor franchisors.

18 (10) ~~Motor vehicle~~ **Vehicle** lessors.

19 (11) ~~Motor vehicle~~ **Vehicle** lease facilitators.

20 \* \* \*

21 (16) ~~Motor vehicle~~ **Vehicle** salesmen.

22 (17) ~~Motor vehicle~~ **Vehicle** lessor agents.

23 \* \* \*

24 **(20) Used parts or accessories of vehicles dealers.**

25 **(21) Dismantler and parts recyclers.**

26 **(22) Dismantler and parts recycler sales representatives.**

27 **(23) Public or retail vehicle auctions, wholesale vehicle auctions, or**  
28 **salvage pools that deal in used vehicles.**

29 **(24) Rent -to-own dealers.**

1                    **(25) Motor vehicle crushers.**

2                    **(26) Catalytic converter dealers.**

3    \*           \*           \*

4                    B.(1)    \*           \*           \*

5                    (b) Commencing January 1, 2011, licenses shall be issued for a term of two  
6                    years initially staggering the two-year license so Commission Districts 1, 3, 5, and  
7                    7 will be issued a one-year license in 2011 and a two-year license thereafter.  
8                    ~~Recreational product license fees shall be prorated to cover the period from~~  
9                    ~~December 31, 2010, until license renewal.~~ **The license fees for used vehicle dealers,**  
10                    **dealers in used parts or used accessories of motor vehicles, dismantler and parts**  
11                    **recyclers, public or retail vehicle auctions, wholesale vehicle auctions, or salvage**  
12                    **pools that deal in used motor vehicles, rent-to-own dealers, motor vehicle**  
13                    **crushers, and the representatives or salespersons for such licensees shall be**  
14                    **prorated to cover the period from December 31, 2024, until license renewal.**

15                    (2) ~~The license of any recreational products dealer shall expire December 31,~~  
16                    ~~2010, and the~~ **The** license of any licensee who does not maintain a place of business  
17                    in this state shall expire on December thirty-first of each year.

18    \*           \*           \*

19                    F. Additional licensing and compliance requirements for used ~~motor~~ vehicle  
20                    ~~facilities operated by new motor vehicle dealers, motor vehicle lessors and specialty~~  
21                    ~~vehicle dealers:~~

22                    (1) The commission shall also require, in all used ~~motor~~ vehicle ~~facility~~  
23                    **dealer** applications or otherwise, information relating to the applicant's financial  
24                    standing and whether the applicant has an established place of business.

25                    (2) All used motor vehicle ~~facilities~~ **dealers** licensed by the commission ~~must~~  
26                    ~~provide~~ **shall have** a suitable office and have a permanently affixed sign in front of  
27                    the establishment, which denotes that vehicles are offered for sale at the location to  
28                    which the sign is affixed.

29                    (3) All used ~~motor~~ vehicle ~~facilities~~ **dealers** licensed by the commission ~~must~~

1        **shall** have a ~~useable~~ **usable** telephone at the place of business, the number of which  
2        should **shall** be listed on the application for license and in a local directory accessible  
3        to the public. The commission ~~must~~ **shall** be notified of any change in the telephone  
4        number.

5                (4) All used ~~motor~~ vehicle ~~facilities~~ **dealers** licensed by the commission shall  
6        furnish, in their application for license pursuant to this Chapter, evidence the  
7        applicant has insurance covering its place of business and its operation that complies  
8        with the financial responsibility laws of this state and as determined by the applicant  
9        and its insurance agent, that is necessary to provide coverage to the place and nature  
10       of the business sought to be licensed to protect the applicant and the consumers of  
11       this state. ~~Such insurance~~ **Insurance** shall be maintained throughout the period of  
12       licensure. Failure to maintain ~~such~~ insurance shall result in the immediate suspension  
13       of license, which suspension shall be effective as of the date of the failure to  
14       maintain ~~such~~ insurance coverage until proof of the required insurance is furnished  
15       to the commission. Should no proof of insurance be furnished to the commission  
16       within thirty days, the license ~~of such licensee~~ shall be revoked.

17                (5) In determining whether or not to issue a license to a used ~~motor~~ vehicle  
18       ~~facility~~ **dealer** licensed by the commission, the commission shall also consider the  
19       financial standing of the used ~~motor~~ vehicle ~~facility~~ **dealer** and the adequacy of the  
20       used ~~motor~~ vehicle ~~facility's~~ **dealer's** established place of business for the purpose  
21       for which a license is sought, the effect on the used ~~motor~~ vehicle sales business, and  
22       the consuming public in the state of Louisiana.

23                (6)(a) The license issued to any used ~~motor~~ vehicle ~~facility~~ **dealer** licensed  
24       by the commission shall specify the location of ~~such~~ **the** licensee's established place  
25       of business.

26                (b) A change of location, or a change in corporate ownership or majority  
27       ownership, or a change in the name of a used ~~motor~~ vehicle ~~facility~~ **dealer** licensed  
28       by the commission shall require a new license and application ~~therefor~~.

29                (7) Applicants for and holders of used ~~motor~~ vehicle dealer licenses shall

1 obtain and maintain bonds in accordance with the following provisions:

2 (a) Before any used ~~motor~~ vehicle dealer license is issued to an applicant  
3 under the provisions of this Chapter, a good and sufficient surety bond, executed by  
4 the applicant as principal and by a surety company qualified to do business in  
5 Louisiana as surety, in the sum of ~~ten~~ **fifty** thousand dollars, shall be delivered to the  
6 commission. If a used ~~motor~~ vehicle dealer operates from more than one location,  
7 a bond in the amount of ~~ten~~ **fifty** thousand dollars shall be required for each location.

8 (b) ~~Such~~ **The** bond shall be in a form to be approved by the commission and  
9 shall be conditioned so that the licensee shall comply with the conditions of any  
10 written contract made by ~~such~~ **the** licensee and shall not violate any of the provisions  
11 of this Chapter or any other law of Louisiana in the conduct of the business for which  
12 he is licensed. ~~Such~~ **The** bond shall be made payable to the secretary of the  
13 Department of Public Safety and Corrections or to his successor in office, for the use,  
14 benefit, and indemnity of any persons who shall suffer any loss as a result of any  
15 violation of the conditions hereinabove contained. ~~Such~~ **The** bond shall be for the  
16 license period and a new bond or a proper continuation certificate shall be delivered  
17 to the commission at the beginning of each license period. However, the aggregate  
18 liability of the surety in any one year shall in no event exceed the sum of ~~such~~ **the**  
19 bond. Failure to maintain ~~such~~ **the** bond shall result in the immediate suspension of  
20 the license, which suspension shall be effective as of the date of the failure to  
21 maintain the bond until proof of the required bond is furnished to the commission.  
22 Should no proof of a bond be furnished to the commission within thirty days, the  
23 license shall be revoked.

24 \* \* \*

25 I. Additional licensing and compliance requirements for ~~motor~~ vehicle lessor  
26 franchisors.

27 (1) The commission shall require, in all ~~motor~~ vehicle lessor franchisor  
28 applications or otherwise, information relating to the applicant's financial standing  
29 and whether the applicant has an established place of business.

1 (2) All ~~motor~~ vehicle lessor franchisors ~~must provide~~ **shall have** a suitable  
2 office and have a permanently affixed sign in front of the establishment.

3 (3) All ~~motor~~ vehicle lessor franchisors ~~must~~ **shall** have a usable telephone  
4 at the place of business, the number of which ~~should~~ **shall** be listed on the  
5 application for license, and listed in a local directory accessible to the public, where  
6 applicable. The commission ~~must~~ **shall** be notified of any change in the telephone  
7 number.

8 (4)(a) The license issued to any ~~motor~~ vehicle lessor franchisor shall specify  
9 the location of such ~~motor~~ vehicle lessor franchisor's established place of business.

10 (b) A change of location, or a change in corporate ownership or majority  
11 ownership, or a change in the name of a ~~motor~~ vehicle lessor franchisor shall require  
12 a new license and application ~~therefor~~.

13 (5) In determining whether or not to issue a license to a ~~motor~~ vehicle lessor  
14 franchisor, the commission shall also consider the financial standing of the ~~motor~~  
15 vehicle lessor franchisor and the adequacy of the ~~motor~~ vehicle lessor franchisor's  
16 established place of business for the purpose for which a license is sought.

17 (6) Upon execution of a franchise, or addendum thereto, with a ~~motor~~ vehicle  
18 lessor, the ~~motor~~ vehicle lessor franchisor shall immediately file with the  
19 commission a copy of the franchise or addendum.

20 J. Additional licensing and compliance requirements for ~~motor~~ vehicle  
21 lessors:

22 (1) The commission shall also require, in all ~~motor~~ vehicle lessor applications  
23 or otherwise, information relating to the applicant's financial standing and whether  
24 the applicant has an established place of business.

25 (2) All ~~motor~~ vehicle lessors ~~must provide~~ **shall have** a suitable office and  
26 have a permanently affixed sign in front of the establishment of offices which  
27 denotes that vehicles are offered for lease or rent at the location to which the sign is  
28 affixed.

29 (3) All ~~motor~~ vehicle lessors ~~must~~ **shall** have a usable telephone at the place

1 of business, the number of which ~~should~~ **shall** be listed on the application for license,  
2 and listed in a local directory accessible to the public, where applicable. The  
3 commission ~~must~~ **shall** be notified of any change in the telephone number.

4 (4)(a) Applications for license as ~~motor a~~ vehicle lessor ~~must~~ **shall**, in  
5 addition to the foregoing, also be accompanied by the filing with the commission of  
6 any bona fide contract or franchise in effect between the applicant and a ~~motor~~  
7 vehicle lessor franchisor of the ~~new motor vehicle or~~ vehicles proposed to be dealt  
8 in for a specific location in the state of Louisiana.

9 (b) However, if ~~such the~~ contract or franchise has already been filed with the  
10 commission in connection with a previous application made by ~~such the~~ applicant,  
11 in which event the applicant shall, in lieu of again filing the contract or franchise,  
12 identify same by appropriate reference and file all revisions and additions, if any,  
13 which have been made to ~~said the~~ contract or franchise.

14 (5) All ~~motor~~ vehicle lessors, in their application for license pursuant to this  
15 Chapter, shall include evidence the applicant has insurance covering its place of  
16 business and its operation that complies with the financial responsibility laws of this  
17 state and as determined by the applicant and its insurance agent, that is necessary to  
18 provide coverage to the place and nature of the business sought to be licensed to  
19 protect the applicant and the consumers of this state. ~~Such insurance must~~ **Insurance**  
20 **shall** be maintained throughout the period of licensure. Failure to maintain ~~such~~  
21 insurance shall result in the immediate suspension of license, which suspension shall  
22 be effective as of the date of the failure to maintain ~~such~~ insurance coverage until  
23 proof of the required insurance is furnished to the commission. Should no proof of  
24 insurance be furnished to the commission within thirty days, the license of such  
25 licensee shall be revoked.

26 (6)(a) The license issued to a ~~motor~~ vehicle lessor shall specify the licensee's  
27 established place of business.

28 (b) A change of location, or a change in corporate ownership or majority  
29 ownership, or a change in the name of a ~~motor~~ vehicle lessor shall require a new



1 license and application ~~therefor~~.

2 (7) In determining whether or not to issue a license to a ~~motor~~ vehicle lessor,  
3 the commission shall also consider the financial standing of the ~~motor~~ vehicle lessor,  
4 the adequacy of the ~~motor~~ vehicle lessor's established place of business for the  
5 purpose for which a license is sought, and the effect on the ~~motor~~ vehicle  
6 leasing/rental business and the consuming public in the state of Louisiana.

7 K. Additional licensing and compliance requirements for ~~motor~~ vehicle lease  
8 facilitators.

9 (1) The commission shall also require, in all ~~motor~~ vehicle lease facilitator  
10 applications or otherwise, information relating to the applicant's financial standing  
11 and whether the applicant has an established place of business.

12 (2) All ~~motor~~ vehicle lease facilitators ~~must provide~~ **shall have** a suitable  
13 office and have a permanently affixed sign in front of the establishment.

14 (3) All ~~motor~~ vehicle lease facilitators ~~must~~ **shall** have a ~~usable~~ **usable**  
15 telephone at the place of business, the number of which ~~should~~ **shall** be listed on the  
16 application for license, and also in a local directory accessible to the public, where  
17 applicable. The commission ~~must~~ **shall** be notified of any change in the telephone  
18 number.

19 (4) In determining whether or not to issue a license to a ~~motor~~ vehicle lease  
20 facilitator, the commission shall also consider the financial standing of the ~~motor~~  
21 vehicle lease facilitator and the adequacy of the ~~motor~~ vehicle lease facilitator's  
22 established place of business for the purpose for which a license is sought.

23 (5)(a) The ~~motor~~ vehicle lease ~~facilitators~~ **facilitator** shall specify the  
24 location of ~~such motor~~ **the** vehicle lease facilitator's established place of business.

25 (b) A change of location, or a change in corporate ownership or majority  
26 ownership, or a change in the name of a ~~motor~~ vehicle lease facilitator, shall require  
27 a new license and application ~~therefor~~.

28 \* \* \*

29 **M. Additional licensing and compliance requirements for rent-to-own**

1           dealers:

2                   (1) The commission shall also require, in all rent-to-own dealer  
3                   applications or otherwise, information relating to the applicant's financial  
4                   standing and whether the applicant has an established place of business.

5                   (2) All rent-to-own dealers licensed by the commission shall have a  
6                   suitable office and have a permanently affixed sign in front of the establishment,  
7                   which denotes that vehicles are offered for rent-to-own at the location to which  
8                   the sign is affixed.

9                   (3) All rent-to-own dealers licensed by the commission shall have a  
10                   usable telephone at the place of business, the number of which shall be listed on  
11                   the application for license and in a local directory accessible to the public. The  
12                   commission shall be notified of any change in the telephone number.

13                   (4) All rent-to-own dealers licensed by the commission shall furnish, in  
14                   their application for license pursuant to this Chapter, evidence the applicant has  
15                   insurance covering its place of business and its operation that complies with the  
16                   financial responsibility laws of this state and as determined by the applicant and  
17                   its insurance agent, that is necessary to provide coverage to the place and nature  
18                   of the business sought to be licensed to protect the applicant and the consumers  
19                   of this state. Insurance shall be maintained throughout the period of licensure.  
20                   Failure to maintain insurance shall result in the immediate suspension of  
21                   license, which suspension shall be effective as of the date of the failure to  
22                   maintain insurance coverage until proof of the required insurance is furnished  
23                   to the commission. Should no proof of insurance be furnished to the commission  
24                   within thirty days, the license shall be revoked.

25                   (5) In determining whether or not to issue a license to a rent-to-own  
26                   dealer licensed by the commission, the commission shall also consider the  
27                   financial standing of the rent-to-own dealer and the adequacy of the established  
28                   place of business for the purpose for which a license is sought, the effect on the  
29                   rent-to-own business and the consuming public in the state of Louisiana.

1           **(6)(a) The license issued to any rent-to-own dealer licensed by the**  
2           **commission shall specify the location of the licensee's established place of**  
3           **business.**

4           **(b) A change of location, or a change in corporate ownership or majority**  
5           **ownership, or a change in the name of a rent-to-own dealer licensed by the**  
6           **commission shall require a new license and application.**

7           **(7) Applicants for and holders of rent-to-own dealer licenses shall obtain**  
8           **and maintain bonds in accordance with the following provisions:**

9           **(a) Before any rent-to-own dealers license is issued to an applicant under**  
10           **the provisions of this Chapter, a good and sufficient surety bond, executed by**  
11           **the applicant as principal and by a surety company qualified to do business in**  
12           **Louisiana as surety, in the sum of fifty thousand dollars, shall be delivered to**  
13           **the commission. If a rent-to-own dealer operates from more than one location,**  
14           **a bond in the amount of fifty thousand dollars shall be required for each**  
15           **location.**

16           **(b) The bond shall be in a form to be approved by the commission and**  
17           **shall be conditioned so that the licensee shall comply with the conditions of any**  
18           **written contract made by the licensee and shall not violate any of the provisions**  
19           **of this Chapter or any other law of Louisiana in the conduct of the business for**  
20           **which he is licensed. The bond shall be made payable to the secretary of the**  
21           **Department of Public Safety and Corrections or to his successor in office, for**  
22           **the use, benefit, and indemnity of any persons who shall suffer any loss as a**  
23           **result of any violation of the conditions hereinabove contained. The bond shall**  
24           **be for the license period and a new bond or a proper continuation certificate**  
25           **shall be delivered to the commission at the beginning of each license period.**  
26           **However, the aggregate liability of the surety in any one year shall in no event**  
27           **exceed the sum of the bond. Failure to maintain the bond shall result in the**  
28           **immediate suspension of the license, which suspension shall be effective as of the**  
29           **date of the failure to maintain the bond until proof of the required bond is**

1 furnished to the commission. Should no proof of a bond be furnished to the  
2 commission within thirty days, the license shall be revoked.

3 N. Additional licensing and compliance requirements for dismantler and  
4 parts recyclers:

5 (1) The commission shall also require, in all dismantler and parts  
6 recycler applications or otherwise, information relating to the applicant's  
7 financial standing and whether the applicant has an established place of  
8 business.

9 (2) All dismantler and parts recyclers licensed by the commission shall  
10 have a suitable office and have a permanently affixed sign in front of the  
11 establishment.

12 (3) All dismantler and parts recyclers licensed by the commission shall  
13 have a usable telephone at the place of business, the number of which shall be  
14 listed on the application for license and in a local directory accessible to the  
15 public. The commission shall be notified of any change in the telephone number.

16 (4) All dismantler and parts recyclers licensed by the commission shall  
17 furnish, in their application for license pursuant to this Chapter, evidence the  
18 applicant has insurance covering its place of business and its operation that  
19 complies with the financial responsibility laws of this state and as determined  
20 by the applicant and its insurance agent, that is necessary to provide coverage  
21 to the place and nature of the business sought to be licensed to protect the  
22 applicant and the consumers of this state. Insurance shall be maintained  
23 throughout the period of licensure. Failure to maintain insurance shall result  
24 in the immediate suspension of license, which suspension shall be effective as of  
25 the date of the failure to maintain insurance coverage until proof of the  
26 required insurance is furnished to the commission. Should no proof of insurance  
27 be furnished to the commission within thirty days, the license of such licensee  
28 shall be revoked.

29 (5) In determining whether or not to issue a license to a dismantler and

1 parts recycler licensed by the commission, the commission shall also consider  
2 the financial standing of the dismantler and parts recycler and the adequacy of  
3 the established place of business for the purpose for which a license is sought,  
4 the effect on the consuming public in the state of Louisiana.

5 (6)(a) The license issued to any dismantler and parts recycler licensed by  
6 the commission shall specify the location of the licensee's established place of  
7 business.

8 (b) A change of location, or a change in corporate ownership or majority  
9 ownership, or a change in the name of a dismantler and parts recycler licensed  
10 by the commission shall require a new license and application.

11 O. Additional licensing and compliance requirements for motor vehicle  
12 crushers:

13 (1) The commission shall also require, in all motor vehicle crusher  
14 applications or otherwise, information relating to the applicant's financial  
15 standing and whether the applicant has an established place of business.

16 (2) All motor vehicle crushers licensed by the commission shall have a  
17 suitable office and have a permanently affixed sign in front of the establishment.

18 (3) All motor vehicle crushers licensed by the commission shall have a  
19 usable telephone at the place of business, the number of which shall be listed on  
20 the application for license and in a local directory accessible to the public. The  
21 commission shall be notified of any change in the telephone number.

22 (4) All motor vehicle crushers licensed by the commission shall furnish,  
23 in their application for license pursuant to this Chapter, evidence the applicant  
24 has insurance covering its place of business and its operation that complies with  
25 the financial responsibility laws of this state and as determined by the applicant  
26 and its insurance agent, that is necessary to provide coverage to the place and  
27 nature of the business sought to be licensed to protect the applicant and the  
28 consumers of this state. Insurance shall be maintained throughout the period  
29 of licensure. Failure to maintain insurance shall result in the immediate

1 suspension of license, which suspension shall be effective as of the date of the  
2 failure to maintain insurance coverage until proof of the required insurance is  
3 furnished to the commission. Should no proof of insurance be furnished to the  
4 commission within thirty days, the license of such licensee shall be revoked.

5 (5) In determining whether or not to issue a license to a motor vehicle  
6 crusher licensed by the commission, the commission shall also consider the  
7 financial standing of the motor vehicle crusher and the adequacy of the motor  
8 vehicle crusher's established place of business for the purpose for which a  
9 license is sought, and the effect on the consuming public in the state of  
10 Louisiana.

11 (6)(a) The license issued to any motor vehicle crusher licensed by the  
12 commission shall specify the location of such licensee's established place of  
13 business.

14 (b) A change of location, or a change in corporate ownership or majority  
15 ownership, or a change in the name of a motor vehicle crusher licensed by the  
16 commission shall require a new license and application.

17 P. Additional licensing and compliance requirements for used parts or  
18 accessories vehicle dealers.

19 (1) The commission shall also require, in used parts or accessories vehicle  
20 dealer applications or otherwise, information relating to the applicant's  
21 financial standing and whether the applicant has an established place of  
22 business.

23 (2) All used parts or accessories vehicle dealers licensed by the  
24 commission shall provide a suitable office and have a permanently affixed sign  
25 in front of the establishment.

26 (3) All used parts or accessories vehicle dealers licensed by the  
27 commission shall have a usable telephone at the place of business, the number  
28 of which shall be listed on the application for license and in a local directory  
29 accessible to the public. The commission shall be notified of any change in the

1 telephone number.

2 (4) All used parts or accessories vehicle dealers licensed by the  
3 commission shall furnish, in their application for license pursuant to this  
4 Chapter, evidence the applicant has insurance covering its place of business and  
5 its operation that complies with the financial responsibility laws of this state and  
6 as determined by the applicant and its insurance agent, that is necessary to  
7 provide coverage to the place and nature of the business sought to be licensed  
8 to protect the applicant and the consumers of this state. Insurance shall be  
9 maintained throughout the period of licensure. Failure to maintain insurance  
10 shall result in the immediate suspension of license, which suspension shall be  
11 effective as of the date of the failure to maintain insurance coverage until proof  
12 of the required insurance is furnished to the commission. Should no proof of  
13 insurance be furnished to the commission within thirty days, the license shall  
14 be revoked.

15 (5) In determining whether or not to issue a license to a used parts or  
16 accessories vehicle dealer licensed by the commission, the commission shall also  
17 consider the financial standing of the dealer in used parts and accessories and  
18 the adequacy of the used parts or accessories vehicle dealer established place of  
19 business for the purpose for which a license is sought, and the effect on the  
20 consuming public in the state of Louisiana.

21 (6)(a) The license issued to a used parts or accessories vehicle dealer  
22 licensed by the commission shall specify the location of the licensee's established  
23 place of business.

24 (b) A change of location, or a change in corporate ownership or majority  
25 ownership, or a change in the name of a used parts or accessories vehicle dealer  
26 licensed by the commission shall require a new license and application.

27 Q. Additional licensing and compliance requirements for catalytic  
28 converter dealers:

29 (1) The commission shall also require, in all catalytic converter dealer

1       applications or otherwise, information relating to the applicant's financial  
2       standing and whether the applicant has an established place of business.

3               (2) All catalytic converter dealers licensed by the commission shall  
4       provide a suitable office and have a permanently affixed sign in front of the  
5       establishment.

6               (3) All catalytic converter dealers licensed by the commission shall have  
7       a usable telephone at the place of business, the number of which shall be listed  
8       on the application for license and in a local directory accessible to the public.  
9       The commission shall be notified of any change in the telephone number.

10              (4) All catalytic converter dealers licensed by the commission shall  
11       furnish, in their application for license pursuant to this Chapter, evidence the  
12       applicant has insurance covering its place of business and its operation that  
13       complies with the financial responsibility laws of this state and as determined  
14       by the applicant and its insurance agent, that is necessary to provide coverage  
15       to the place and nature of the business sought to be licensed to protect the  
16       applicant and the consumers of this state. Insurance shall be maintained  
17       throughout the period of licensure. Failure to maintain insurance shall result  
18       in the immediate suspension of license, which suspension shall be effective as of  
19       the date of the failure to maintain insurance coverage until proof of the  
20       required insurance is furnished to the commission. Should no proof of insurance  
21       be furnished to the commission within thirty days, the license shall be revoked.

22              (5) In determining whether or not to issue a license to a catalytic  
23       converter dealer licensed by the commission, the commission shall also consider  
24       the financial standing of the catalytic converter dealer and the adequacy of the  
25       catalytic converter dealer's established place of business for the purpose for  
26       which a license is sought, and the effect on the consuming public in the state of  
27       Louisiana.

28              (6)(a) The license issued to any catalytic converter dealer licensed by the  
29       commission shall specify the location of the licensee's established place of



1           **business.**

2                   **(b) A change of location, or a change in corporate ownership or majority**  
3                   **ownership, or a change in the name of a catalytic converter dealer licensed by**  
4                   **the commission shall require a new license and application.**

5                   **R. Additional licensing and compliance requirements for public or retail**  
6                   **vehicle auctions, wholesale vehicle auctions, or salvage pools that deal in used**  
7                   **vehicles:**

8                   **(1) The commission shall also require, in all public or retail vehicle**  
9                   **auctions, wholesale vehicle auctions, or salvage pools that deal in used vehicle**  
10                   **applications or otherwise, information relating to the applicant's financial**  
11                   **standing and whether the applicant has an established place of business.**

12                   **(2) All public or retail vehicle auctions, wholesale vehicle auctions, or**  
13                   **salvage pools that deal in used vehicles licensed by the commission shall provide**  
14                   **a suitable office and have a permanently affixed sign in front of the**  
15                   **establishment.**

16                   **(3) All public or retail vehicle auctions, wholesale vehicle auctions, or**  
17                   **salvage pools that deal in used vehicles licensed by the commission shall have**  
18                   **a usable telephone at the place of business, the number of which shall be listed**  
19                   **on the application for license and in a local directory accessible to the public.**  
20                   **The commission shall be notified of any change in the telephone number.**

21                   **(4) All public or retail vehicle auctions, wholesale vehicle auctions, or**  
22                   **salvage pools that deal in used vehicles licensed by the commission shall furnish,**  
23                   **in their application for license pursuant to this Chapter, evidence the applicant**  
24                   **has insurance covering its place of business and its operation that complies with**  
25                   **the financial responsibility laws of this state and as determined by the applicant**  
26                   **and its insurance agent, that is necessary to provide coverage to the place and**  
27                   **nature of the business sought to be licensed to protect the applicant and the**  
28                   **consumers of this state. Insurance shall be maintained throughout the period**  
29                   **of licensure. Failure to maintain insurance shall result in the immediate**

1 suspension of license, which suspension shall be effective as of the date of the  
2 failure to maintain insurance coverage until proof of the required insurance is  
3 furnished to the commission. Should no proof of insurance be furnished to the  
4 commission within thirty days, the license shall be revoked.

5 (5) In determining whether or not to issue a license to a public or retail  
6 vehicle auctions, wholesale vehicle auctions, or salvage pools that deal in used  
7 vehicles licensed by the commission, the commission shall also consider the  
8 financial standing of the public or retail vehicle auctions, wholesale vehicle  
9 auctions, or salvage pools that deal in used vehicles and the adequacy of the  
10 public or retail vehicle auctions, wholesale vehicle auctions, or salvage pools  
11 that deal in used vehicles established place of business for the purpose for which  
12 a license is sought, and the effect on the consuming public in the state of  
13 Louisiana.

14 (6)(a) The license issued to any public or retail vehicle auctions,  
15 wholesale vehicle auctions, or salvage pools that deal in used vehicles licensed  
16 by the commission shall specify the location of the licensee's established place  
17 of business.

18 (b) A change of location, or a change in corporate ownership or majority  
19 ownership, or a change in the name of a public or retail vehicle auctions,  
20 wholesale vehicle auctions, or salvage pools that deal in used vehicles licensed  
21 by the commission shall require a new license and application.

22 (7) Applicants for and holders of public or retail vehicle auctions,  
23 wholesale vehicle auctions, or salvage pools that deal in used vehicles licenses  
24 shall obtain and maintain bonds in accordance with the following provisions:

25 (a) Before any public or retail vehicle auctions, wholesale vehicle  
26 auctions, or salvage pools that deal in used vehicles license is issued to an  
27 applicant under the provisions of this Chapter, a good and sufficient surety  
28 bond, executed by the applicant as principal and by a surety company qualified  
29 to do business in Louisiana as surety, in the sum of fifty thousand dollars, shall

1 be delivered to the commission. If an applicant operates from more than one  
2 location, a bond in the amount of fifty thousand dollars shall be required for  
3 each location.

4 (b) The bond shall be in a form to be approved by the commission and  
5 shall be conditioned so that the licensee shall comply with the conditions of any  
6 written contract made by the licensee and shall not violate any of the provisions  
7 of this Chapter or any other law of Louisiana in the conduct of the business for  
8 which he is licensed. The bond shall be made payable to the secretary of the  
9 Department of Public Safety and Corrections or to his successor in office, for  
10 the use, benefit, and indemnity of any persons who shall suffer any loss as a  
11 result of any violation of the conditions hereinabove contained. The bond shall  
12 be for the license period and a new bond or a proper continuation certificate  
13 shall be delivered to the commission at the beginning of each license period.  
14 However, the aggregate liability of the surety in any one year shall in no event  
15 exceed the sum of the bond. Failure to maintain the bond shall result in the  
16 immediate suspension of the license, which suspension shall be effective as of the  
17 date of the failure to maintain the bond until proof of the required bond is  
18 furnished to the commission. Should no proof of a bond be furnished to the  
19 commission within thirty days, the license shall be revoked.

20 MS. Additional licensing and compliance requirements for motor vehicle  
21 salesmen, motor vehicle lessor agents, factory representatives, and distributor  
22 representatives.

23 (1) Every ~~motor~~ vehicle salesman, factory representative, distributor  
24 representative, and ~~motor~~ vehicle lessor agent shall have his license upon his person  
25 when engaged in his business and shall display ~~same~~ the license upon request. The  
26 name of ~~said~~ the licensee's employer shall be stated in ~~said~~ the license.

27 (2) In determining whether or not to issue a license to any ~~motor~~ vehicle  
28 salesman or motor vehicle lessor agent, the commission shall also consider the effect  
29 of ~~such~~ the licensure on the motor vehicle leasing/rental business and the consuming

1 public.

2 ~~N~~T. Any person who sells or offers to sell new **and used** motor vehicles,  
3 recreational products, or specialty vehicles, or leases, rents, or offers to lease or rent  
4 new **and used** motor vehicles, recreational products, or specialty vehicles, or  
5 conducts and designs advertising or participates in special sales events on behalf of  
6 licensees, and which is not a licensee of the commission shall, nonetheless, be  
7 subject to the provisions of Chapter 6 of Title 32 and the rules and regulations of the  
8 commission.

9 ~~O~~. Notwithstanding the provisions of this Chapter and the provisions of  
10 Subsection N of this Section to the contrary, this Chapter shall not apply to specialty  
11 vehicle dealers who manufacture wheeled, armored personnel carriers for sale to law  
12 enforcement agencies and who do not maintain or have a place of business in this  
13 state. The provisions of this Subsection shall expire on July 1, 2018.

14 ~~P~~U. Notwithstanding any provision of law to the contrary and the provisions  
15 of Subsection ~~N~~T of this Section, this Chapter shall not apply to the procurement or  
16 sale of towable equipment as defined in this Chapter.

17 §1255. Fees; penalties

18 A. \* \* \*  
19 \* \* \*

20 (2) The license for each motor vehicle dealer, specialty vehicle dealer,  
21 recreational products dealer, motor vehicle lessor, **automotive dismantler and parts**  
22 **recycler, crusher, rent-to-own dealer, auction, catalytic converter dealer, used**  
23 **parts or accessories dealer, public or retail vehicle auctions, wholesale vehicle**  
24 **auctions, or salvage pools that deal in used vehicles, used motor vehicle dealer,**  
25 factory representative, broker, distributor representative, or lease facilitator shall not  
26 exceed three hundred dollars for each year covered by the license.

27 (3) The license fee for each motor vehicle salesman and motor vehicle lessor  
28 agent shall not exceed thirty dollars for each year covered by the license.

29 \* \* \*

1 §1261. Unauthorized acts

2 ~~A.~~ It shall be a violation of this Chapter:

3 \* \* \*

4 (2) \* \* \*

5 \* \* \*

6 (c) To resort to or use any false or misleading advertisement in connection  
7 with his business as such vehicle dealer or ~~motor~~ vehicle salesman.

8 \* \* \*

9 (3) For a ~~motor vehicle or recreational product~~ lessor or ~~motor~~ vehicle lessor  
10 agent:

11 \* \* \*

12 **(6) For a dismantler and parts recycler, dismantler and parts recycler**  
13 **salesperson, motor vehicle crusher, used parts or accessories of vehicles dealers,**  
14 **public or retail vehicle auctions, wholesale vehicle auctions, or salvage pools**  
15 **that deal in used vehicles:**

16 **(a) To operate from an unlicensed location.**

17 **(b) To employ unlicensed salespersons or other unlicensed persons in**  
18 **connection with the sales of used vehicles and used parts and accessories.**

19 **(c) To resort to or uses any false or misleading advertising in connection**  
20 **with this business.**

21 **(d) To commit any unlawful act which resulted in the revocation of any**  
22 **similar license in another state.**

23 **(e) To have been convicted of a crime involving moral turpitude.**

24 **(f) To commit a fraudulent act in selling, purchasing, or otherwise**  
25 **dealing in motor vehicles or motor vehicle parts, or has misrepresented the**  
26 **terms and conditions of a sale, purchase, or contract for sale or purchase of**  
27 **used motor vehicle parts, motor vehicles, or any interest therein including an**  
28 **option to purchase the motor vehicles.**

29 **(g) To engage in his business under a past or present license issued**

1 pursuant to this Part or in any other course of conduct in a manner as to cause  
2 injury to the public or to those with whom he is dealing.

3 (h) To fail to meet or maintain the conditions and requirements  
4 necessary to qualify for the issuance of a license.

5 (i) To fail or refuse to furnish and keep in force any bond required under  
6 this Part.

7 (j) To knowingly engage in tampering with, adjusting, altering, changing,  
8 setting back, disconnecting, or failing to connect the odometer of any motor  
9 vehicle, or cause any of the foregoing to occur in an odometer of a motor  
10 vehicle, so as to reflect a lower mileage than the true mileage driven by the  
11 motor vehicle. The foregoing shall be applicable to any vehicle whether sold  
12 wholesale or retail or whether or not the foregoing occurred within or outside  
13 the state of Louisiana.

14 (k) To fail to maintain their records for a period of three years and to  
15 keep their records, vehicles, and places of business open to inspection by any  
16 peace officer or agent of the Department of Public Safety and Corrections or of  
17 the commission during reasonable hours. Records shall include bills of sale,  
18 financing or mortgage records, and monthly sales reports.

19 (7) For a wholesale motor vehicle auction to:

20 (a) Fail to comply with any provision of this Chapter, any provision  
21 relating to the proper disposition of license tags or registrations, transfers of  
22 title, or payment of sales taxes in connection with the purchase or sale of any  
23 new or used motor vehicle, or with any rule or regulation adopted and  
24 promulgated by the commission pursuant to the authority vested in it by this  
25 Chapter.

26 (b) Permit any person other than a licensed dealer or a person who holds  
27 a current authorization to bid for a licensed dealer, to bid, offer to bid,  
28 participate in the bid process, purchase, or offer to purchase a used motor  
29 vehicle placed up for bid at the auction.

1                    (c) Accept cash for a sale from anyone other than a licensed dealer or his  
2                    agent.

3                    (d) Permit any person other than a mechanic or technical expert to  
4                    accompany a licensed dealer to inspect used motor vehicles prior to the vehicle  
5                    being placed up for bid at the auction.

6                    (e) Fail to disclose that a sale took place off the block or out of the  
7                    auction ring by providing red-stamped verification on the auction bill of sale or  
8                    invoice, with the lettering on the stamp to be no less than half-inch print size.

9                    (f) Fail to implement, within six months, following the effective date of  
10                   this Section, an audio video recording system which will properly verify sales  
11                   occurring in the lanes at the auction and fail to maintain those video recordings  
12                   for at least thirty days following the sale.

13                   (g) Fail to use an industry-recognized damage classification system for  
14                   all vehicles sold at auction.

15                   (h) Engage in fraudulent activity in the auction process.

16                   (8) For a rent-to-own dealer to:

17                   (a) Operate from an unlicensed location.

18                   (b) Employ unlicensed salesmen or other unlicensed persons in  
19                   connection with the rent-to-own of used vehicles.

20                   (c) Utilize rental purchase agreements that fail to:

21                   (i) Be made in clear and conspicuous language.

22                   (ii) Be in writing, a copy of which shall be delivered to the rental  
23                   consumer.

24                   (iii) Have a condition report which sets forth in detail the physical  
25                   condition and appearance of the vehicle prior to rental which shall be completed  
26                   and signed by both the rental consumer and an authorized representative of the  
27                   rental dealer and promptly delivered to the rental consumer.

28                   (iv) Have provisions substantially equivalent to the following:

29                   (aa) A provision indicating the description of the vehicle rented,

1 particularly to the year, make, model, vehicle identification number, color, and  
2 odometer reading.

3 (bb) A provision itemizing all costs relative to detail, delivery, or  
4 destination of the vehicle, which shall not exceed the sum of one hundred fifty  
5 dollars.

6 (cc) An itemization of the processing fee charged by the rental dealer, if  
7 any, which shall not exceed the sum of one hundred fifty dollars.

8 (dd) A provision indicating the amount of the security deposit required  
9 by the rental dealer and the conditions under which the security deposit shall  
10 be refundable or nonrefundable; however, no security deposit shall exceed the  
11 rental dealer's documented cost of the vehicle.

12 (ee) A provision that the rental dealer cannot add repair costs to the  
13 rental purchase agreement. Further, that the rental dealer shall warrant the  
14 power train of the motor vehicle for any defects which existed at the time of sale  
15 for a period of thirty days or one thousand miles, whichever is the lesser.

16 (ff) A provision offering to the rental consumer the right to secure a  
17 warranty, if one is available, for the used motor vehicle and the price of such  
18 warranty, and the cost of any deductible under the warranty.

19 (gg) A provision setting the total amount of payments due, the number  
20 of total periodic payments, and the amount of each periodic payment.

21 (hh) A provision indicating whether the title transfer and licensing fees  
22 are included in the payments charged at consummation by the rental dealer or  
23 are to be considered additional charges.

24 (ii) A provision indicating whether a late payment is due from the rental  
25 consumer after a certain date selected for periodic payment, the amount of  
26 which payment shall not exceed the sum of fifty dollars or ten percent of the  
27 monthly payment price, whichever is less.

28 (jj) A provision indicating whether a reinstatement fee shall be required  
29 in the event that the rental consumer fails to make timely rental payments and



1 desires to reinstate the rental purchase agreement, which reinstatement fee shall  
2 not exceed the sum of fifty dollars plus any legitimate recovery fees or expenses.

3 (kk) A provision indicating whether the rental consumer is liable for loss  
4 or damage to the rental property and, if so, the maximum amount for which the  
5 rental consumer may be liable.

6 (ll) A provision containing the rights of the rental consumer to terminate  
7 the rental purchase agreement and the consequences of termination, if any.

8 (mm) A provision regarding the maintenance and repair of the rental  
9 during the rental term and whether the rental consumer is responsible for the  
10 repairs absent the purchase of a warranty.

11 (nn) A provision indicating whether the rental consumer is required to  
12 secure automobile liability insurance from a licensed insurance agent in the  
13 state of Louisiana, and the minimum limits required by the rental dealer for  
14 both bodily injury and property damage, which in any event shall not be less  
15 than minimum limits required by state law.

16 (oo) A provision that when a rental consumer is in default on his rental  
17 purchase agreement, the rental dealer will mail a notice of default to the rental  
18 consumer, provided there is proof of mailing giving the consumer five days to  
19 bring the account current.

20 (pp) A provision that when the rental consumer returns the vehicle that  
21 the dealer shall do a condition report at the time of the vehicle's return which  
22 sets forth the physical condition and appearance of the vehicle and which shall  
23 be completed and signed by an authorized representative of the rental dealer  
24 and the rental consumer and promptly delivered to the rental consumer.

25 (9) For a catalytic converter dealer:

26 (a) To operate from an unlicensed location.

27 (b) To employ unlicensed salesmen or other unlicensed persons in  
28 connection with the sale of catalytic converters.

29 (c) To engage in the business of purchasing or selling used or detached

1 catalytic converters in this state without first obtaining a license from the  
2 commission.

3 (d) To fail to provide any person purchasing a used or detached catalytic  
4 converter a signed statement to the purchase attesting that the catalytic  
5 converter has been paid for or is owned by the seller.

6 (e) To provide any false, fraudulent, altered, or counterfeit information  
7 or documentation as required by this Section.

8 (10) No person who is not licensed as a dealer by the commission  
9 pursuant to this Chapter shall possess, obtain, or otherwise acquire, transport,  
10 or sell more than the used or detached catalytic converters from one vehicle  
11 owned by the person or any nonferrous part of a catalytic converter without  
12 providing all of the following documentation to law enforcement upon request,  
13 which information shall be maintained by the dealer for at least three years  
14 from the date received:

15 (a) The name and address of the residence or place of business of the  
16 person required to either keep the register and file reports or electronically  
17 maintain the data and generate the requested reports.

18 (b) The date and place of each purchase.

19 (c) The name and address of the person or persons from whom the  
20 material was purchased, including the distinctive number of each person's  
21 Louisiana driver's license, driver's license from another state, passport, military  
22 identification, or identification issued by a governmental agency or the United  
23 States Postal Service. If the person cannot produce any form of identification  
24 as provided for in this Paragraph at the time of purchase, the purchaser shall  
25 not complete the transaction.

26 (d) The motor vehicle license number of the vehicle or conveyance on  
27 which the material was delivered.

28 (e) A full description and photograph of all material purchased.

29 (f) A picture of the person from whom the material was purchased.



1 following such approval by the legislature, whichever is later.

2 Section 6.(A)The Louisiana Used Motor Vehicle Commission and the Louisiana  
3 Motor Vehicle Commission shall take all necessary actions prior to ~~July 1, 2024~~ **January**  
4 **1, 2025**, including but not limited to amending, adopting, and repealing administrative rules,  
5 as are necessary to implement the provisions of this Act.

6 (B)Transfer of duties and functions. On the effective date of this Section, the  
7 Louisiana Used Motor Vehicle Commission shall be abolished and its duties and functions  
8 shall be transferred to the Louisiana Motor Vehicle Commission as provided in this Act. All  
9 unfinished business, references in laws and documents, employees, property, obligations,  
10 and books and records heretofore under the control of the Louisiana Motor Vehicle  
11 Commission shall be transferred as provided in this Section.

12 (C)Unfinished business. Upon the transfer of duties and functions as provided in this  
13 Section, any pending or unfinished business of the Louisiana Used Motor Vehicle  
14 Commission shall be taken over and completed by the Louisiana Motor Vehicle  
15 Commission. The Louisiana Motor Vehicle Commission shall be the successor in every way  
16 to the Louisiana Used Motor Vehicle Commission.

17 (D)References in laws and documents. Wherever the Louisiana Used Motor Vehicle  
18 Commission is referred to or designated by the constitution or by any law or contract or  
19 other document, after the effective date of the abolition of that board as provided in this  
20 Section such reference or designation shall be considered to apply to the Louisiana Motor  
21 Vehicle Commission.

22 (E) Legal proceedings and documents continued. Any legal proceeding to which the  
23 Louisiana Used Motor Vehicle Commission is a party and which is filed, initiated, or  
24 pending before any court on the effective date of this Section, and all documents involved  
25 in or affected by such legal proceeding, shall retain their effectiveness and shall be continued  
26 in the name of the Louisiana Motor Vehicle Commission. All further legal proceedings and  
27 documents in the continuation, disposition, and enforcement of such legal proceedings shall  
28 be in the name of the Louisiana Motor Vehicle Commission, and the Louisiana Motor  
29 Vehicle Commission shall be substituted for the party to which it is the successor without

1 the necessity for amendment of any document to substitute the name of that board or the  
2 name or title of any office, official, employee, or other agent or representative of the board.

3 Any legal proceeding and all documents involved in or affected by such legal proceeding,  
4 which proceeding has been continued in the name of the Louisiana Used Motor Vehicle  
5 Commission, shall retain their effectiveness, and those provisions of this Section requiring  
6 that the continuation, disposition, and enforcement of a legal proceeding and documents  
7 related thereto shall be in the name of the party to which the Louisiana Motor Vehicle  
8 Commission is the successor shall not affect their validity.

9 (F)(1) Protection of obligations; federal assistance. All obligations of the Louisiana  
10 Used Motor Vehicle Commission hereafter shall be considered to be the obligations of the  
11 Louisiana Motor Vehicle Commission to the same extent as if originally made by the  
12 Louisiana Motor Vehicle Commission and the same are hereby ratified. In like manner, and  
13 in order to prevent any violation of the provisions, terms, or conditions of any gift, donation,  
14 deed, will, trust, or other instrument or disposition by which property vested in the Louisiana  
15 Motor Vehicle Commission by this Act was previously vested in the Louisiana Used Motor  
16 Vehicle Commission or diversion from the purposes for which such property was so vested,  
17 it is hereby specifically provided that each such instrument or disposition hereafter shall be  
18 considered to have vested such property in the Louisiana Motor Vehicle Commission in the  
19 same manner and to the same extent as if originally so done.

20 (2) The Louisiana Motor Vehicle Commission shall be the successor in every way  
21 to the Louisiana Used Motor Vehicle Commission, including with respect to obligations and  
22 debts of the Louisiana Used Motor Vehicle Commission. All dedications and allocations of  
23 revenues and sources of revenues heretofore made shall continue in the same manner, to the  
24 same extent, and for the same purposes as were provided prior to the enactment of this Act,  
25 unless and until other provision is made for such dedications and allocations.

26 (3) This Act shall not be construed or applied in any way which will prevent full  
27 compliance by the state, or any department, office, or agency thereof, with the requirements  
28 of any act of the Congress of the United States or any regulation made thereunder by which  
29 federal aid or other federal assistance has been or hereafter is made available to this state,

1 or any department, office, agency, or subdivision thereof, anything contained in this Act to  
 2 the contrary notwithstanding, and such compliance hereafter shall be accomplished by the  
 3 Louisiana Motor Vehicle Commission.

4 (G) Transfer of property. All books, papers, records, money, actions, and other  
 5 property of every kind, movable and immovable, real and personal, heretofore possessed,  
 6 controlled, or used by the Louisiana Used Motor Vehicle Commission are hereby transferred  
 7 to the Louisiana Motor Vehicle Commission. All funds controlled by the Louisiana Used  
 8 Motor Vehicle Commission are hereby transferred to the Louisiana Motor Vehicle  
 9 Commission.

10 (H) Transfer of employees. All employees engaged in the performance of duties of  
 11 the Louisiana Used Motor Vehicle Commission are hereby transferred to the Louisiana  
 12 Motor Vehicle Commission and shall be subject to applicable state civil service laws, rules,  
 13 and regulations. Employee positions in the unclassified service shall remain in the  
 14 unclassified service.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Christine Arbo Peck.

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## DIGEST

SB 461 Original

2024 Regular Session

Wheat

Present law establishes the Louisiana Used Motor Vehicle Commission and the Motor Vehicle Commission and sets forth definitions, rights, duties, and obligations of both commissions.

Proposed law merges the Louisiana Used Motor Vehicle Commission into the Motor Vehicle Commission, repeals the separate statutory provisions relative to the used vehicle commission, but transfers and incorporates those necessary provisions into the statutory authority of the motor vehicle commission.

Proposed law provides for a transition time line and transfer of duties and functions, unfinished business, references in laws and documents, legal proceedings and documents, protection of obligations and federal assistance; transfer of property, and transfer of employees.

Proposed law is effective upon signature of the governor, shall be implemented by July 1, 2024, and shall have all transition requirements satisfied prior to January 1, 2025.

Proposed law authorizes the Louisiana State Law Institute to make all technical corrections, including updating alphabetization in the definitions, as is necessary.

(Amends R.S. 32:1251, 1252(20), (21), (34), (39), (67), (68)(a), (68)(b)(intro para), (68)(b)(iii)-(v), and (69), 1253(A)(intro para), 1253(A)(1)(intro para), 1253(A)(2), 1254(A)(6), (9), (10), (11), (16), and (17), (B)(1)(b) and (2), (F), (I), (J), (K), (M), (N), (O),

and (P), 1255(A)(2) and (3), 1261(A)(intro para), 1261(A)(2)(c), 1261(A)(3)(intro para), 1261(A)(6)(intro para), and 1261(A)(7); adds R.S. 32:1252(76)-(95), 1253.1, 1254(A)(20)-(26) and (M)-(U), 1261(A)(6)-(10), (11)(d), and (12); repeals R.S. 32:781-809, 1252(36)-(38), (48)(a), (49)(b), (61), (63), (65), (66), (68)(b)(vi), (70), (71), and (72), and 1261(B))