

Regular Session, 2009  
HOUSE BILL NO. 820  
BY REPRESENTATIVE MICKEY GUILLORY

# ACT No. 435

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

1 AN ACT

2 To amend and reenact R.S. 32:702(4) and (16), 706.1(A) and (B), 707(I) and (J), 718(B) and  
3 (C), 1722(A) and (C), 1728.2(C)(2), (D)(1), (2), (4), and (5) and (E), (F), and (G),  
4 and 1728.3(C), (D)(1), (E), and (F)(1) and to enact R.S. 32:706.2, 707.5, 718(D),  
5 1722(D), 1728.2(H) and R.S. 47:522, relative to dismantled or salvaged motor  
6 vehicles; to create the Louisiana Omnibus Auto Theft Prevention and Recovery Act  
7 (LOATPRA); to define "certificate of destruction"; to define "water-damaged  
8 vehicles"; to require sellers to disclose an assembled title to the purchaser of a motor  
9 vehicle; to require dismantlers to notify the office of motor vehicles upon receiving  
10 a vehicle for dismantling; to create a procedure for titling a total loss salvage motor  
11 vehicle prior to reconstruction and operation; to establish an assembled vehicle title  
12 and procedures for issuance; to require contracted storage facilities to obtain  
13 verification and provide notification to registered lien holders prior to expiration of  
14 a vehicle storage contract; to mandate that appraisers use the latest version of the  
15 NADA Guide as a guideline for the appraisal of vehicles to be crushed or  
16 dismantled; to require an application for crushing and dismantling upon a form  
17 created by the Department of Public Safety and Corrections; to provide for a time  
18 limit for approval of the application after electronic submission of application to the  
19 Department of Public Safety and Corrections, office of motor vehicles; to require  
20 licensed dismantlers and crushers to certify the crushing or dismantling of a vehicle  
21 by submitting a form provided by the office of motor vehicles; to require the  
22 owner-operator to maintain certain records on file for all vehicles dismantled or

1 crushed; to authorize representatives of the Department of Public Safety and  
2 Corrections to enter a dealer's premises to recover state credentials when the dealer's  
3 license has been suspended or revoked; to provide for information maintained by  
4 auto hulk buyers; to provide for the reporting of auto hulks; to provide for an  
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 32:702(4) and (16), 706.1(A) and (B), 707(I) and (J), 718(B) and (C),  
8 1722(A) and (C), 1728.2(C)(2), (D)(1), (2), (4), and (5) and (E), (F), and (G), and 1728.3(C),  
9 (D)(1), (E), and (F)(1) are hereby amended and reenacted and R.S. 32:706.2, 707.5, 718(D),  
10 1722(D), and 1728.2(H) are hereby enacted to read as follows:

11 §702. Definitions

12 As used in this Chapter:

13 \* \* \*

14 (4) "Certificate of destruction" means a type of certificate of title issued by  
15 the office of motor vehicles for a "water-damaged vehicle" other than an antique  
16 vehicle or a vehicle in excess of twenty thousand pounds gross vehicle weight rating  
17 (GVWR), whose power train, computer, or electrical system has been damaged by  
18 flooding as the result of a gubernatorially declared disaster or emergency and that is  
19 a "total loss" as defined in this Section. The certificate of destruction shall be  
20 reassignable a maximum of two times prior to dismantling or destruction of the  
21 vehicle.

22 \* \* \*

23 (16) "Water-damaged vehicle" means any vehicle, ~~other than an antique~~  
24 ~~vehicle or a vehicle in excess of twenty thousand pounds gross vehicle weight~~  
25 ~~(GVW)~~, whose power train, computer, or electrical system has been damaged by  
26 flooding ~~as the result of a gubernatorially declared disaster or emergency~~ and that is  
27 a "total loss" as defined in this Section.

28 \* \* \*



1 of the property damages claim, send the certificate of title to the office of motor  
 2 vehicles along with an application for a salvage title in the name of the insurance  
 3 company, or its authorized agent, or the vehicle owner.

4 (b) The insurance company or agent shall notify the office of motor vehicles  
 5 within thirty days of settlement of the property damage claim and the owner retained  
 6 salvage value, when the owner of the vehicle is allowed to retain the salvage after the  
 7 vehicle has been declared a total loss.

8 ~~(b)~~ (c) Upon receipt of the salvage title, the insurance company, its  
 9 authorized agent, or the vehicle owner may proceed to dismantle the vehicle, sell it,  
 10 or rebuild and restore it to operation. A rebuilder of a salvaged title motor vehicle  
 11 may upon completion of rebuilding the vehicle demonstrate the rebuilt motor vehicle  
 12 to a prospective purchaser without applying for a reconstructed vehicle title. Except  
 13 for the purposes of this demonstration, no rebuilt and restored vehicle shall be  
 14 operated upon any public street, roadway, or highway until it is registered with the  
 15 office of motor vehicles, and a reconstructed vehicle title is issued.

16 (2) ~~No further documentation is required for dismantling; however, After~~  
 17 receiving a vehicle for dismantling, the dismantler shall notify the department within  
 18 ten days upon the form provided by the Department of Public Safety and  
 19 Corrections, office of motor vehicles. ~~the~~ The dismantler shall surrender the salvage  
 20 title to the office of motor vehicles and retain possession a copy of the salvage title  
 21 for five years following dismantling. The vehicle may be sold, assigned, or donated  
 22 by endorsing the ~~salvage title permit to dismantle~~ and delivering it along with the  
 23 vehicle to the new owner; however, dealers, salvage pools, and dismantlers shall  
 24 keep a register of such transfers.

25 ~~J.(1) If a vehicle with a salvage title is rebuilt and restored to operation, such~~  
 26 ~~vehicle shall not be titled and registered for operation until a certificate of inspection~~  
 27 ~~is submitted to office of motor vehicles by a member of the city, parish, or state~~  
 28 ~~police force, authorized by the police chief, sheriff, or commander to make such~~  
 29 ~~inspections.~~

1           ~~(2) On receipt of the required certificate of inspection and the salvage title,~~  
2           ~~together with receipts for the major component parts that have been replaced on the~~  
3           ~~vehicle, the office of motor vehicles shall issue a new certificate of title, which shall~~  
4           ~~indicate on its face it has been reconstructed.~~

5           J.(1) Any owner who reconstructs or restores a vehicle without salvage title  
6           to operating condition prior to being issued a reconstructed title under this Chapter  
7           or the laws of another state or who recovers a stolen motor vehicle shall make  
8           application to the Department of Public Safety and Corrections, office of motor  
9           vehicles, for a certificate of title and an inspection of the vehicle prior to the  
10           registration or sale of the vehicle. Each application for title and inspection shall be  
11           accompanied by the following:

12                   (a) The outstanding salvage title previously issued for the salvage vehicle.

13                   (b) Bills of sale evidencing acquisition of all major component parts used to  
14                   restore the vehicle, listing the manufacturer's vehicle identification number of the  
15                   vehicle from which the parts were removed, if such part contained or should contain  
16                   the manufacturer's vehicle identification number.

17                   (c) A sworn statement in the form prescribed by the Department of Public  
18                   Safety and Corrections, office of motor vehicles, which states that:

19                           (i) The identification numbers of the restored vehicle and its parts have not  
20                           been removed, destroyed, falsified, altered, or defaced.

21                           (ii) The salvage title document attached to the application has not been  
22                           forged, falsified, altered, or counterfeited.

23                           (iii) All information contained on the application and its attachments is true  
24                           and correct to the knowledge of the owner.

25                   (2) The vehicle identification number of every vehicle for which an  
26                   application is submitted shall be inspected by an inspector at a location designated  
27                   by the department.

28                   (3) In addition, some or all of the vehicles presented for the inspection may  
29                   be selected for inspection of the vehicle's major component parts which have been  
30                   repaired or replaced as part of the rebuilding process to determine that the vehicle

1 information contained in the application and supporting documents is true and  
2 correct.

3 (4) The selection of vehicles to undergo the major component part inspection  
4 shall be on a random basis, in accordance with criteria and procedures established  
5 by the Department of Public Safety and Corrections by regulations, which may be  
6 changed from time to time as that department deems necessary.

7 (5) The inspector may examine the identification number of each part that  
8 has been repaired or replaced as part of the rebuilding process in addition to the  
9 vehicle identification number, and may compare those numbers to the vehicle  
10 identification numbers and identification numbers of parts entered into any state,  
11 regional, or national computer network that records the identification numbers of  
12 stolen motor vehicles and the identification numbers of stolen parts.

13 (6) Nothing in this Section shall establish a presumption that a part has been  
14 removed, falsified, altered, defaced, destroyed, or tampered with by a person  
15 submitting a vehicle inspection, if the part fails to contain a required identification  
16 label. The major component inspection shall not be for the purpose of checking road  
17 worthiness or the safety condition of the vehicle. No liability shall be imposed on  
18 the Department of Public Safety and Corrections, the state of Louisiana, or its agents  
19 or employees with respect to any act or omission related to said inspection.

20 (7) Upon satisfactory inspection and a receipt of all required documents and  
21 applicable fees, the commissioner shall issue a new certificate of title in the name of  
22 the owner which shall contain the notation "RECONSTRUCTED" on the face of the  
23 certificate of title.

24 \* \* \*

25 §707.5. Assembled Vehicles

26 A. An assembled motor vehicle is a vehicle which has been assembled by  
27 a person other than the manufacturer with major component parts from dismantled  
28 motor vehicles and may include new parts.

1                    B. Major component parts are:

2                    (1) Engine with or without accessories.

3                    (2) Transmission.

4                    (3) Nose: that portion of the body from the front to the firewall when  
5                    acquired or transferred as a complete unit.

6                    (4) Frame: that portion of a vehicle upon which other components are  
7                    affixed, such as the engine, body, or transmission.

8                    (5) Body: that portion of a vehicle that determines its shape and appearance  
9                    and is attached to the frame.

10                  (6) Door.

11                  (7) Rear Clip: two or more of the following, all dismantled from the same  
12                  vehicle:

13                  (a) Quarter panel or fender.

14                  (b) Floor panel assembly.

15                  (c) Trunk lid or gate.

16                  (8) Cowl: that portion of the vehicle housing the firewall, windshield, and  
17                  instrument panel.

18                  C.(1) An assembler shall obtain receipts for all parts used to build an  
19                  assembled vehicle. In the case of used parts from a dismantled motor vehicle, in  
20                  addition to a receipt, the seller of parts from a dismantled motor vehicle shall provide  
21                  the assembler with a copy of the front and back of the permit to dismantle for the  
22                  vehicle from which the used part was obtained or a receipt from a licensed  
23                  automotive dismantler and parts recycler certifying that the vehicle from which the  
24                  part was removed was reported to the office of motor vehicles in accordance with  
25                  R.S. 32:718. In the case of a frame of the dismantled vehicle, the seller of the used  
26                  frame shall endorse the permit to dismantle and deliver it to the assembler at the time  
27                  the frame is sold.

28                  (2) In the event the used parts come from a dismantled motor vehicle issued  
29                  a salvage title prior to January 1, 2010, the seller of the used parts shall write  
30                  "dismantled" across the face of the salvage title, and provide the assembler with a

1 copy of the front and back of the title, or the original salvage title as the case may be,  
2 together with a signed statement of the seller, stating the date the motor vehicle was  
3 dismantled and the name of the dismantler, in lieu of providing a copy or original  
4 permit to dismantle required in Paragraph (1) of this Subsection.

5 (3) If a new component incorporated into the assembled motor vehicle was  
6 sold with a manufacturer's statement, certificate of origin, or similar document, the  
7 seller shall provide the original document with any necessary endorsements to the  
8 assembler.

9 D. Prior to applying for a title or registration from the Department of Public  
10 Safety and Corrections, the assembler shall:

11 (1) Obtain a physical inspection of the assembled vehicle by a full-time Peace  
12 Officer Standards and Training (P.O.S.T.) certified law enforcement officer who has  
13 been trained and certified by the Department of Public Safety and Corrections, office  
14 of state police, to inspect motor vehicles.

15 (2) Submit a sworn statement attesting that the assembled motor vehicle  
16 meets all National Highway Traffic Safety Administration standards for safety,  
17 bumpers, and theft prevention in effect on the date the assembly of the vehicle was  
18 completed. The provisions of this Paragraph shall not apply to an assembled vehicle  
19 built to appear as an antique vehicle, a street rod, or other specialty vehicle.

20 (3) Obtain a motor vehicle inspection sticker or statement from a licensed  
21 Louisiana motor vehicle inspection station indicating that the vehicle meets all safety  
22 requirements. An inspection station is expressly authorized to inspect an untitled  
23 assembled vehicle when presented for inspection by the assembler.

24 (4) Be assigned a vehicle identification number by the Department of Public  
25 Safety and Corrections, office of state police. The assigned number shall not be the  
26 vehicle identification number from a previously issued salvaged title or permit to  
27 dismantle and shall not be a number which would appear to have been assigned to  
28 the vehicle by a manufacturer.



1 issued by the seller's current state of residence, the tag number and state of issue of  
 2 the vehicle delivering the auto hulk, and the vehicle identification number of the auto  
 3 hulk. This information shall be kept in a registry or book or in electronic format for  
 4 a period of two years at the secondary metal processor's or the licensed automotive  
 5 dismantler and parts recycler's place of business and shall be made available for  
 6 inspection by any peace officer, law enforcement official, or office of motor vehicles  
 7 official at any time during customary business hours.

8 C. Every secondary metal processor or licensed automotive dismantler and  
 9 parts recycler shall submit an electronic report to the office of motor vehicles of the  
 10 vehicle identification number of each auto hulk received from a seller. The report  
 11 shall be in a form approved by the office of motor vehicles and shall be submitted  
 12 ~~on at least a weekly basis~~ within seventy-two hours of the purchase of the auto hulk.

13 D. The provisions of this Section are applicable to auto hulks in lieu of the  
 14 provisions of R.S. 32:717 and 807.

15 \* \* \*

16 §1722. Exemption from provisions of R.S. 32:1718 through ~~R.S. 32:1721~~

17 A.(1) Except when summoned to a location by a law enforcement agency  
 18 from a call allocation system, the provisions of R.S. 32:1718 through ~~R.S. 32:1721~~  
 19 shall not apply where the verified owner of the vehicle or the verified legal  
 20 representative of the owner has entered into a contract, in writing on a form herein  
 21 described, for the continuous storage or parking of the vehicle.

22 (2) The storage facility shall verify the registered owner and any lien holder  
 23 in accordance with R.S. 32:1718.

24 (3) The storage facility shall verify and keep a copy of any legal documents  
 25 declaring the status of any person claiming to be a legal representative of a vehicle  
 26 owner.

27 \* \* \*

28 C. The written storage contract shall contain the following:

29 (1) The name, address, and driver's license number of the verified owner or  
 30 verified legal representative of the owner that is making the storage arrangements.

1 (2) The name and address of the owner if different from the above person.

2 (3) The name and address of any lien holder on the vehicle title.

3 ~~(3)~~ (4) The cost of storage and any other costs that will be accrued to the  
4 vehicle. Any costs not set forth within the storage agreement may not be charged.

5 ~~(4)~~ (5) A description of the vehicle.

6 ~~(5)~~ (6) The vehicle identification number.

7 ~~(6)~~ (7) The vehicle license plate number.

8 ~~(7)~~ (8) The condition of the vehicle.

9 ~~(8)~~ (9) The date that the vehicle is placed in storage.

10 ~~(9)~~ (10) The date after which time the vehicle will be considered abandoned,  
11 not to exceed six months from the date of storage.

12 ~~(10)~~ (11) Notice that when the vehicle is considered abandoned, it will be  
13 subject to sale by the storage facility owner.

14 ~~(11)~~ (12) The signature of the owner or legal representative of the owner that  
15 is making the storage arrangements.

16 D. The storage facility owner shall give notice in writing to the verified lien  
17 holder at least fifteen business days prior to the expiration of the storage contract in  
18 Subsection C of this Section.

19 \* \* \*

20 §1728.2. Procedure for disposal of junk vehicles

21 \* \* \*

22 C. As used in this Section:

23 \* \* \*

24 (2) "Junk vehicle" means a vehicle in such a state of deterioration that it  
25 cannot be profitably restored and has a fair market value of five hundred dollars or  
26 less by using the rough trade-in value shown in the most recent National Automobile  
27 Dealers Association Guide.

28 \* \* \*

29 D. Each owner-operator who possesses a vehicle which meets the criteria set  
30 forth in Paragraph (C)(2) of this Section may ~~crush or dismantle that~~ make



1 office of motor vehicles, by certificate of mailing, ~~stating:~~ providing the following  
 2 information:

- 3 (1) That a vehicle has been crushed or dismantled.
- 4 (2) A description of ~~each~~ the vehicle to be crushed or dismantled and each  
 5 part to be dismantled for salvage.
- 6 (3) The vehicle identification number.
- 7 (4) A photograph of all four sides of the vehicle prior to crushing or  
 8 dismantling.

9 ~~F. G.~~ The owner-operator shall maintain copies of the following records on  
 10 all vehicles crushed or dismantled under the provisions of this Section:

11 (1) Completed physical inspection form as prepared by a full-time Peace  
 12 Officer Standards and Training (P.O.S.T.) certified law enforcement officer who has  
 13 been trained and certified by the Department of Public Safety and Corrections, office  
 14 of state police, to inspect vehicles to be crushed or dismantled.

15 (2) One appraisal showing the vehicle has a fair market value of five hundred  
 16 dollars or less. The appraisal shall be based on the standard value of the vehicle as  
 17 determined by the most recent National Automobile Dealers Association Guide.

18 (3) A photograph of ~~each side~~ all four sides of the vehicle prior to crushing  
 19 or dismantling.

20 (4) A copy of the original report of a stored vehicle as required in R.S.  
 21 32:1719.

22 (5) A copy of the notice required by R.S. 32:1720 which was sent to the  
 23 registered owner of the vehicle, the holder of any lien on the vehicle, and any other  
 24 person with an ownership interest in the vehicle.

25 (6) The original signed post office receipt of delivery, if the letter required  
 26 to be sent by this Section has been delivered, or the returned unopened envelope with  
 27 the postal marking indicating attempt to deliver the letter required by this Section.  
 28 If either of these items could not be furnished, other documented proof that the  
 29 storage or parking facility owner sent notice to the stored vehicle owner shall be  
 30 retained by the owner-operator. These records shall be open to inspection by any

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 peace officer any time the business is open. All records required by this Section  
2 shall be maintained for a period of at least three years.

3 ~~G. H.~~ Neither the state of Louisiana nor the office of motor vehicles shall  
4 incur any liability as a result of the disposal of a vehicle under these provisions.

5 §1728.3. Procedure for disposal of certain vehicles deemed abandoned by  
6 municipality or parish

7 \* \* \*

8 C. In order to utilize the provisions of this Section, the owner-operator must  
9 have taken possession of the vehicle at the request of a municipality or parish acting  
10 under R.S. 32:473.1 and the vehicle shall have an appraisal with a fair market value  
11 of five hundred dollars or less. The appraisal shall be based on the rough trade-in  
12 value of the vehicle as determined by the most recent National Automobile Dealers  
13 Association Guide.

14 D.(1) Each owner-operator who possesses a vehicle which meets the criteria  
15 set forth in Subsection C of this Section may crush or dismantle the vehicle provided  
16 the owner-operator satisfies each of the following requirements:

17 (a) The owner-operator has complied with the provisions of R.S. 32:1719  
18 and 1720.

19 (b) The owner-operator has the vehicle physically inspected by a full-time  
20 Peace Officer Standards and Training (P.O.S.T.) certified law enforcement officer  
21 who has been trained and certified by the Department of Public Safety and  
22 Corrections, office of state police, to inspect vehicles to be crushed or dismantled.

23 (c) The owner-operator obtains an appraisal showing the vehicle has a fair  
24 market value of five hundred dollars or less. The appraisal shall be based on the  
25 rough trade-in value of the vehicle as determined by the most recent National  
26 Automobile Dealers Association Guide.

27 (d) The owner-operator takes a photograph of all four sides of the vehicle  
28 prior to crushing or dismantling.

29 \* \* \*

1                   E. Within seven business days following the crushing or dismantling of the  
 2                   vehicle, the owner-operator shall execute an affidavit, on the form provided by the  
 3                   Department of Public Safety and Corrections, office of motor vehicles, and forward  
 4                   it to the office of motor vehicles, by certificate of mailing, ~~stating:~~ providing the  
 5                   following information:

- 6                   (1) That a vehicle has been crushed or dismantled.
- 7                   (2) A description of the vehicle to be crushed and each part to be dismantled  
 8                   for salvage.
- 9                   (3) The vehicle identification number.
- 10                  (4) The findings of the physical inspection required by Subparagraph  
 11                  (D)(1)(b) of this Section.
- 12                  (5) A photograph of all four sides of the vehicle prior to crushing or  
 13                  dismantling.

14                   F.(1) The owner-operator shall maintain the following records on all vehicles  
 15                   crushed or dismantled under the provisions of this Section:

- 16                  (a) A completed physical inspection form as prepared by a full-time Peace  
 17                  Officer Standards and Training (P.O.S.T.) certified law enforcement officer who has  
 18                  been trained and certified by the Department of Public Safety and Corrections, office  
 19                  of state police, to inspect vehicles to be crushed or dismantled.
- 20                  (b) One appraisal showing the vehicle has a fair market value of five hundred  
 21                  dollars or less. The appraisal shall be based on the rough trade-in value of the  
 22                  vehicle as determined by the most recent National Automobile Dealers Association  
 23                  Guide.
- 24                  (c) A photograph of ~~each side~~ all four sides of the vehicle prior to crushing  
 25                  or dismantling.
- 26                  (d) A copy of the original report of a stored vehicle as required in R.S.  
 27                  32:1719.
- 28                  (e) Some manner of documentation of the request of the municipality or  
 29                  parish directing that the vehicle be removed.

1 (f) A copy of the notice required by R.S. 32:1720 which was sent to the  
2 registered owner of the vehicle, the holder of any lien on the vehicle, and any other  
3 person with an ownership interest in the vehicle.

4 (g) The original signed post office receipt of delivery if the letter required  
5 to be sent by this Section has been delivered; or the returned unopened envelope with  
6 the postal marking indicating attempt to deliver the letter required by this Section.  
7 If either of these items could not be furnished, other documented proof that the  
8 storage or parking facility owner sent notice to the stored vehicle owner shall be  
9 retained by the owner-operator.

10 \* \* \*

11 Section 2. R.S. 47:522 is hereby enacted to read as follows:

12 §522. Authorization to enter dealer premises to recover state credentials

13 A. Whenever any licensed dealer has his license suspended or revoked, or  
14 if the licensed dealer ceases operations without any formal action by the appropriate  
15 commission, representatives of the Department of Public Safety and Corrections  
16 shall be authorized to enter any and all locations of the dealer to recover official state  
17 credentials issued to the dealer by the department, including but not limited to dealer  
18 inventory plates, temporary registration plates, and motor vehicle inspection stickers.

19 B. In the event the dealer, or any agent or representative of the dealer,  
20 removes or causes to be removed the official state credentials, the dealer shall be  
21 responsible for surrendering the credentials to the department.

22 C. The Louisiana Motor Vehicle Commission and the Louisiana  
23 Recreational and Used Motor Vehicle Commission shall promptly notify the  
24 Department of Public Safety and Corrections whenever a dealer's license is  
25 suspended or revoked, or if either commission has information that a licensed dealer  
26 has ceased operations without any formal action against the dealer's license.

27 Section 3. This Act shall be known as the "Louisiana Omnibus Auto Theft  
28 Prevention and Recovery Act".

29 Section 4. This Act shall become effective on July 1, 2010. However, the electronic  
30 reporting requirements specified in R.S. 32:1728.2(E) as provided in this Act shall not take

1 effect until the Department of Public Safety and Corrections, office of motor vehicles,  
2 certifies to the division of administration, that the electronic system to implement the  
3 requirements of such provisions have been tested and are fully operational.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_