

SENATE BILL NO. 373

BY SENATOR DUPLESSIS

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AN ACT

To amend and reenact R.S. 32:707.2 (A),(B),(C), and (D), and to enact R.S. 32:707.2(G), relative to motor vehicles; requires the electronic recording of information on vehicle security interests; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:707.2(A), (B), (C) and (D) are hereby amended and reenacted and R.S. 32:707.2(G) is hereby enacted to read as follows:

§707.2. Electronic media system for lien recordation and title information; fees; required bond; confidentiality of information; rules and regulations

A. The department ~~is hereby authorized to~~ **shall** develop and implement **on a statewide basis no later than January 1, 2010**, a computer system which will permit the ~~voluntary~~ electronic recording of information concerning the perfection and release of vehicle security interests without submitting or receiving paper title documents. The department may allow the submission of vehicle title information for new, transferred, and corrected certificates of title, including the perfection and release of security interests, through electronic media in a cost-effective manner in lieu of the submission and maintenance of paper documents otherwise required by this Chapter.

B.**(1)** The department is hereby authorized to contract with public license tag agents for the purpose of administering a system which will ~~permit the voluntary~~ **provide for the** recording of vehicle title information and security interest notification **without issuance of a paper title**.

(2) The department is hereby authorized to promulgate rules and regulations in accordance with the Administrative Procedure Act, to provide for certain limited exceptions to the electronic recordation requirements set forth

1 by this Section, for individuals and lienholders that are not normally engaged
 2 in the business or practice of financing vehicles.

3 C.~~(1)~~ An approved public license tag agent operating a secured host computer
 4 system interfacing with the computer system of the Department of Public Safety and
 5 Corrections, office of motor vehicles, and the computer system of a lending
 6 institution or other sales finance company shall be bonded in an amount specified by
 7 the department. The public license tag agent is hereby authorized to charge a fee to
 8 customers utilizing this electronic media system ~~in accordance with the provisions~~
 9 ~~of R.S. 47:532.1(C).~~

10 (2) Each bank, finance company, lending institution, or other lender shall
 11 designate a public tag agent with which such bank, finance company, lending
 12 institution, or other lender shall interface its computer system for the purpose
 13 of receiving electronic confirmation from the department, of the receipt and the
 14 filing of the security interest on the subject motor vehicle. Each bank, finance
 15 company, lending institution, or other lender shall also designate such public
 16 tag agent when transmitting a release or satisfaction of its lien.

17 (3) Any request to convert an electronic lien and title record to a paper
 18 document shall be forwarded to the department by the bank, finance company,
 19 lending institution, or other lender through its interface with its designated
 20 public tag agent. Upon receipt of the appropriate title and handling fees, the
 21 department shall provide the requested paper title.

22 D. Notwithstanding any other law to the contrary, a written or printed report
 23 of an electronic media transaction or recording ~~permitted~~ **required** under the
 24 provisions of this Section, if certified as true and correct by the department, shall
 25 serve as evidence of any signature, acknowledgment, or information which was
 26 provided to or by the department through electronic means, and the certification shall
 27 be admissible in any legal proceeding as evidence of the facts stated therein.

28 * * *

29 G.(1) The department is authorized to form a task force to develop and
 30 implement the system required by this Section. The members of this task force

1 shall be appointed by the secretary and shall include representatives from the
2 department, the commercial banking industry, sales finance companies, credit
3 unions, savings institutions, and the vehicle dealership industry.

4 (2)(a) The task force shall research methods whereby the department,
5 lending institutions and sales finance companies may exchange and maintain
6 information concerning the perfection and release of vehicle security interests
7 without submitting or receiving a paper title document. Further, the task force
8 shall develop methods whereby lending institutions and sales finance companies
9 may submit, through a variety of electronic media, updated information
10 pertaining to the title record, including the addition, assignment or release of
11 vehicle security interests.

12 (b) No later than January 1, 2009, the task force shall develop and
13 implement a pilot program to implement the requirements set forth by this
14 Section.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____