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MICHAEL D. EDMONSON, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

September 9, 2014

ELECTRONIC SUBMISSION BY E-MAIL

Speaker of the House
Representative Chuck Kleckley

President of the Senate
Senator John A. Alario, Jr.

House Committee on House Committee on
Transportation, Highways and Public Works
Representative Karen St. Germain, Chairman

Senate Committee on the Judiciary B
Senator Jean-Paul J. Morrell, Chairman

Re: Rules Proposed by the Louisiana Department of Public Safety and Corrections,
Office of Motor Vehicles on Donations of Motor Vehicles by Manual Gift at a Louisiana
Motor Vehicle Commissioned Licensed Dealer and on Water Damaged Vehicles

Dear Representatives and Senators,

Notice is given that the Louisiana Department of Public Safety and Corrections, Office of Motor Vehicles (OMV) intends to adopt two new sections.

First, OMV proposes to adopt LAC 55:III, Chapter 3, Subchapter D, §394 regarding the donation of motor vehicles by manual gift in connection with a motor vehicle transaction at a dealer licensed by the Louisiana Motor Vehicle Commission. The proposal of §394 was prompted by Act 464 of the 2014 Regular Session of the Louisiana Legislature which enacted La.R.S. 32:705.1.

Second, OMV proposes to adopt LAC 55:III, Chapter 3, Subchapter D, and §395 regarding water damaged vehicles which do not meet the threshold criteria for a salvage title or a certificate of destruction. The proposal of §395 was prompted by Act 660 of the 2014 Regular Session of the Louisiana Legislature which enacted La.R.S. 32:707(O).

Both sections are new, and do not amend or repeal any existing rule.

The following documents are attached:

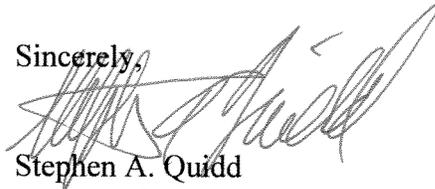
- (1) The text of the proposed rules,
- (2) The Fiscal and Economic Impact Statement submitted to and approved by the Legislative Fiscal Office.
- (3) The insertion order to be submitted to the Office of the State Register granting authority to publish the Notice of Intent regarding these two sections.

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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen A. Quidd", written over the word "Sincerely,".

Stephen A. Quidd
Attorney for La. DPS&C, OMV
(225) 925-6736, 925-6103

Attachments

Title 55
PUBLIC SAFETY
Part III. Motor Vehicles
Chapter 3. License Plates and Removal of Plates, Registrations, and Title Transactions
Subchapter D. Title Transactions

In accordance with the provisions of R.S. 32:705.1 for donations of motor vehicles in connection with a new car dealer transaction and R.S. 32:707(O) for water damaged vehicles which do not meet the salvage threshold, relative to the authority of the Office of Motor Vehicles, the Office of Motor Vehicles hereby publishes, and proposes to adopt LAC 55:III, Chapter 3, Subchapter D, §394, to implement the provisions of La.R.S, 32:705.1 as enacted by Act 464 of the 2014 Regular Session as it relates to water damaged vehicles, and to adopt LAC 55:III, Chapter 3, Subchapter D, §395, to implement the provisions of La. R.S. 32:707(O) as it relates to donated motor vehicles in connection with a transaction at a dealer licensed by the Louisiana Motor Vehicle Commission. Subchapter D as well as §394 and §395 are new sections and do not amend or repeal any existing sections.

§394. Donations by Manual Gift at a Louisiana Motor Vehicle Commission Licensed Dealer

A. The donation of a titled motor vehicle by manual gift as provided by Civil Code Article 1543 and documented by delivery of the motor vehicle's previously issued certificate of title that is executed by the donor-owner may be submitted to the office of motor vehicles in connection with a motor vehicle transaction by a Louisiana Motor Vehicle Commission licensed dealer.

B. Subsequent to donation of a titled motor vehicle by manual gift authorized in the previous paragraph, the licensed dealer shall cause the donor and the donee to execute the form approved by the Department that memorialized the fact the donation was accomplished by manual gift. This completed form, together with the previously issued title, duly endorsed, shall accompany the paperwork submitted by, or on behalf of the dealer, to the Office of Motor Vehicles.

C. Any transaction, which includes a donation by manual gift, submitted by, or on behalf of the dealer, to the Office of Motor Vehicles, which does not include the completed form required in this section, shall not be processed and shall be returned to the dealer who submitted the transactions.

D. Nothing in this section shall prohibit a dealer licensed by the Louisiana Motor Vehicle Commission from submitting a transaction which includes a donation by authentic act.

E. Donations of motor vehicles not associated with a transaction by a dealer licensed by the Louisiana Motor Vehicle Commission shall be by authentic act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:705.1.

HISTORICAL NOTE: Promulgated by the Department of Public Safety, Office of Motor Vehicles, LR XX:XXXX (December 2014)

§395. Water Damaged Vehicles

A. A motor vehicle whose power train, computer, or electrical systems have sustained water damage that does not meet the criteria for a salvage title or a certificate of destruction, shall be issued a branded title indicating the vehicle has sustained water damage.

B. The power train shall include the main components that generate power and deliver the power to the road surface, including but not limited to the engine, the transmission or transaxle including associated axles and CV joints, the drive shafts, and the differentials.

C. The insurance company, owner, or dealer, applying for the water damage brand on a motor vehicle which does not meet the criteria for a salvage title or certificate of destruction shall provide documentation satisfactory to the Office of Motor Vehicle documenting the value of the vehicle, the damages sustained, the circumstance that caused the damage, and the amount of the costs of the repairs to the vehicle which establish the vehicles eligibility for the brand authorized in this section.

D. A vehicle which meets the criteria for a salvage title or a certificate of destruction shall not be issue the certificate of title with the water damage brand authorized in this section. A vehicle which meets the criteria salvage title or certificate of destruction shall be issued the respective title document associated with its damages and the circumstances that caused the damages.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:707(O).

HISTORICAL NOTE: Promulgated by the Department of Public Safety, Office of Motor Vehicles, LR XX:XXXX (December 2014)

Family Impact Statement

The proposed Rule will not have any known or foreseeable impact on any family as defined by R.S. 49:972 D or on family formation, stability and autonomy. Specifically there should be no known or foreseeable effect on:

- 1.The stability of the family;
- 2.The authority and rights of parents regarding the education and supervision of their children;
- 3.The functioning of the family;
- 4.Family earnings and family budget;
- 5.The behavior and personal responsibility of the children.

Local governmental entities have the ability to perform the enforcement of the action proposed in accordance with R.S. 40:1730.23.

Small Business Impact Statement

The impact of the proposed Rule on small businesses has been considered and it is estimated that the proposed action is not expected to have a significant adverse impact on small

businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed Rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed Rule on small businesses.

Poverty Impact Statement

The proposed Rule amends LAC 55:III.325. These Rule changes should not have any known or foreseeable impact on any child, individual or family as defined by R.S. 49:973.B. In particular, there should be no known or foreseeable effect on:

1. The effect on household income, assets, and financial security;
2. The effect on early childhood development and preschool through postsecondary education development;
3. The effect on employment and workforce development;
4. The effect on taxes and tax credits;
5. The effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Provider Impact Statement

The proposed rules do not impact or affect a "Provider." "Provider" means an organization that provides services for individuals with developmental disabilities as defined in HCR 170 of the 2014 Regular Session of the Legislature. In particular, the proposed rules have no effect or impact on a "Provider" in regards to:

- (1) The staffing level requirements or qualifications required to provide the same level of service.
- (2) The cost to the provider to provide the same level of service.
- (3) The ability of the provider to provide the same level of service

Interested Persons

All interested persons are invited to submit written comments on the proposed regulation. Such comments should be submitted no later than October 15, 2014, at 4:30 p.m. to Stephen A. Quidd, P.O. Box 66614, Baton Rouge, La. 70896, (225) 925-6103, Fax:(225) 925-3974, or stephen.quidd@la.gov . A public hearing is scheduled for October 23, 2014 at 10:00 a.m. at 7979 Independence Blvd. Suite 301, Baton Rouge, LA 70806. Please call or e-mail in advance to confirm the time and place of meeting, as the meeting will be cancelled if the requisite number of comments is not received.

OFFICE OF THE STATE REGISTER INSERTION ORDER (eff.08/02)

Claiborne Building 1201 North Third Street Suite 3-220 Post Office Box 94095
Baton Rouge, LA 70804-9095 (225)342-5015 FAX (225)342-0284

(SUBMIT A SEPARATE INSERTION ORDER PER DOCUMENT)

[] EMERGENCY RULE [x] NOTICE OF INTENT [] RULE [] POTPOURRI

REFER TO INSTRUCTIONS ON REVERSE SIDE

This is your authority to publish in the (month) September 20, 20 14 Louisiana Register the document indicated above.

Office of Motor Vehicles

Office/Board/Commission promulgating this document

Jill P. Boudreaux Undersecretary
(name) (title)

Name and title of person whose signature will appear in the publication (at the end of the document)

Dept. of Public Safety & Corrections

Department under which office/board/commission is classified

Stephen Quidd 225-925-6103 925-3974
(name) (phone) (fax)

Name, phone number, and FAX number of person to contact regarding this document

stephen.quidd@dps.la.gov

E-mail address of contact person

Provide a short descriptive listing for this document to be used in the Louisiana Register's TABLE OF CONTENTS/INDEX (note: this description should match the fiscal statement title, if sending a Notice of Intent:

*If sending a diskette, indicate the name of the file on diskette:

Title Transactions

Important: If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, AND if the rule text in the ER is identical to the rule text in the NOI, check here: []

[Handwritten Signature]

Signature of Agency Head or Designee

Jill P. Boudreaux, Undersecretary

Print Name and Title of Agency Head or Designee

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DOCUMENT #

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