

Louisiana Auto Total Loss Threshold by Law

**§702. Definitions**

- (1) "Antique vehicle" shall mean a vehicle twenty-five years old or older.
- (2) "Auto hulk" means any material which is or may have been a motor vehicle, with or without all component parts, which is not self-propelled nor capable of carrying persons or property upon a public highway and which material is in such condition that its highest or primary value is its sale or transfer as parts or scrap metal.
- (3) "Auto title company" means any person, firm, association, or corporation which is engaged primarily in the transfer and recordation of sales, leases, or mortgages of vehicles including but not limited to mobile homes, trailers, and motor vehicles. The term "auto title company" also means any person, firm, association, or corporation which has been licensed in accordance with the provisions of R.S. 32:735 et seq. An auto title company shall not mean an insurance company transferring titles to wrecked vehicles, or a licensed motor vehicle dealer, lending institution, financial institution regulated by state or federal authorities, notary, attorney, or individual applicant unless it or he is doing business as an auto title company.
- (4) "Certificate of destruction" means a type of certificate of title issued by the office of motor vehicles for a "water-damaged vehicle" other than an antique vehicle or a vehicle in excess of twenty thousand pounds gross vehicle weight rating (GVWR), whose power train, computer, or electrical system has been damaged by flooding as the result of a gubernatorially declared disaster or emergency and that is a "total loss" as defined in this Section. The certificate of destruction shall be reassignable a maximum of two times prior to dismantling or destruction of the vehicle.
- (5) "Commissioner" shall mean the director of public safety as provided for in Section 1301 of Title 40 of the Louisiana Revised Statutes of 1950, who, in addition to all other powers granted and duties imposed by law, shall have all powers granted and perform such duties as are imposed on the commissioner by this chapter.

Any duly authorized representative of the commissioner when acting under his authority and direction, shall have the same power as is conferred on the commissioner by this Chapter.

- (6) "Dealer" shall mean any person engaged in the business of buying, selling or exchanging motor vehicles which are subject to license under Chapter 4 of the Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

The term dealer shall also mean any person engaged in the business of buying, selling or exchanging used parts or used accessories of motor vehicles.

Any person who buys, sells, or deals in ten or more motor vehicles in any twelve month period shall be prima facie presumed to be engaged in such business.

The term "Dealer" does not include: public officers while performing their official duties; receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the

judgment or order of any court; banks, finance companies or other loan agencies that acquire motor vehicles as an incident to their regular business; motor vehicle rental and leasing companies that sell motor vehicles to motor vehicle dealers licensed under this Section; and bona fide fleet purchasers of motor vehicles.

**(7)** "Floor plan loan" shall mean any loan made to a licensed vehicle dealer and secured by a chattel mortgage entered into prior to the effective date<sup>1</sup> of Chapter 9 of the Louisiana Commercial Laws (R.S. 10:9-101, et seq.) which constitute a part of the dealer's stock in trade, and which may change in specifics, held for sale in the ordinary course of business.

**(8)** "Manufacturer" means any person regularly engaged in the business of manufacturing or assembling new motor vehicles, either within or without this state.

**(9)** "Manufacturer's certificate" means a certificate on a form to be prescribed by the commissioner, and furnished by the manufacturer, showing the original transfer of a new vehicle from the manufacturer to the original purchaser, and each subsequent transfer between distributor and dealer, dealer and dealer, and dealer to owner, through and including the transfer to the title applicant.

**(10)** "Person" shall mean any individual, firm, corporation, partnership or association.

**(11)** "Salesman" shall mean any person who for a compensation or valuable consideration is employed or engaged either directly or indirectly by a "dealer" to sell or offer to sell, buy or offer to buy, exchange or offer to exchange, or negotiate the purchase or sale or exchange, or assist in negotiating the purchase or sale or exchange, either as a whole or partial vocation, of motor vehicles which are subject to license under Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

**(12)** "Salvage title" shall mean a certificate used to evidence the declaration in an insurance settlement that a motor vehicle is a "total loss" motor vehicle as provided in this Chapter, to be prescribed and distributed by the office of motor vehicles, to an insurance company, its authorized agent, or the owner of a "total loss" motor vehicle.

**(13)** "Total loss" means a motor vehicle which has sustained damages equivalent to seventy-five percent or more of the market value as determined by the most current National Automobile Dealers Association Handbook. However, a motor vehicle that sustains cosmetic damages caused by hail equivalent to seventy-five percent or more of its market value as a result of costs for repairs to items such as windshields, windows, and rear glass, exterior paint and paint materials, and body damage such as dents shall not be deemed a "total loss" and salvaged; however, such vehicles shall be issued a branded title indicating the vehicle has sustained hail damage.

**(14)** "User" shall mean any person who acquires a vehicle for purposes other than resale and is required to register same under the provisions of the Louisiana Vehicle Registration License Tax Law, Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

**(15)** "Vehicle" shall include those devices sometimes referred to as mobile homes as defined in R.S. 9:1149.2(3), whether or not they may be required to be registered or licensed under other laws, and except as otherwise expressly provided herein, the provisions of this Chapter shall apply to the sale and mortgaging thereof. Neither the inclusion or exclusion of any property in or from the definition of vehicle for purposes of this Chapter, nor any other provision in this Chapter, is intended to affect in any

way the status, as determined under other laws, of such property for purposes of ad valorem property taxation, or for any other taxes presently levied, or for the purposes of insurance classification.

**(16)** "Water-damaged vehicle" means any vehicle whose power train, computer, or electrical system has been damaged by flooding and that is a "total loss" as defined in this Section.