

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
APRIL 18, 2016
BEGINNING AT 9:26 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:
MR. JOHN POTEET

4

5 COMMISSIONERS PRESENT:

6 MR. GEORGE BREWER

7 MR. RON DUPLESSIS

8 MR. GEORGE FLOYD

9 MR. STEPHEN OLAVE

10 MR. KIRBY ROY

11 MR. DINO TAYLOR

12

13

14 REPRESENTING THE LOUISIANA USED MOTOR
15 VEHICLE COMMISSION:

16

17 SHERI MORRIS, ESQUIRE
18 ROEDEL, PARSONS, KOCH, BLACHE,
19 BALHOFF & McCOLLISTER
20 8440 JEFFERSON HIGHWAY, SUITE 301
21 BATON ROUGE, LOUISIANA 70809

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ALSO PRESENT:

MS. KIM BARON

MR. DEREK PARNELL

MS. MONA ANDERSON

MS. TONYA BURKS

MR. NESTOR GUILLORY

MR. DWAYNE TAMBLING

1 (Pledge of allegiance.)

2 MR. POTEET:

3 All right. Kim, roll call.

4 MS. BARON:

5 John Poteet?

6 MR. POTEET:

7 Here.

8 MS. BARON:

9 George Brewer?

10 MR. BREWER:

11 Here.

12 MS. BARON:

13 Tony Cormier?

14 MR. CORMIER:

15 (No response.)

16 MS. BARON:

17 Dino Taylor?

18 MR. TAYLOR:

19 Here.

20 MS. BARON:

21 Ron Duplessis?

22 MR. DUPLESSIS:

23 Here.

24 MS. BARON:

25 George Floyd?

1 MR. FLOYD:

2 Here.

3 MS. BARON:

4 Kirby Roy?

5 MR. ROY:

6 Here.

7 MS. BARON:

8 Darty Smith?

9 MR. SMITH:

10 (No response.)

11 MS. BARON:

12 And Steve Olave?

13 MR. OLAVE:

14 Here.

15 MS. BARON:

16 Mr. Chairman, we have a quorum.

17 MR. POTEET:

18 Thank you. All right. Is there anyone

19 here today for public comments?

20 MS. BARON:

21 There is not.

22 MR. POTEET:

23 I assume everybody has had a chance to

24 read the minutes of the March meeting and if we have

25 no comments on that, I would like to entertain a

1 proposal to approve that.

2 MR. OLAVE:

3 Motion we adopt the minutes from the
4 March meeting.

5 MR. BREWER:

6 Second.

7 MR. POTEET:

8 Motion from Steve and a second from
9 George.

10 All in favor, say, "Aye."

11 (All "Aye" responses.)

12 MR. POTEET:

13 Any opposed?

14 (No response.)

15 MR. POTEET:

16 The motion carries. Okay. We've got two
17 financial reports today. Mona is going to take all
18 of our meeting. All right. Mona.

19 MS. ANDERSON:

20 Okay. If you will turn in your packets
21 to the January financial statements, on the
22 statement of net position, the cash in the bank at
23 the end of the month was \$2,033,794, and our
24 accounts receivable hearings and fines was \$228,800.
25 The current liabilities at the bottom of the page

1 were \$63,345. The total was high, because the
2 escrowed fines were not approved in February when we
3 -- I'm sorry, in January when we didn't have a
4 meeting. So that made that amount a little higher
5 than normal.

6 On the second page of the statement of
7 net position, you'll notice that there's only 2017
8 deferred inflow fees there and that's because on
9 01/01 we moved all of that revenue that was in
10 deferred for 2016 in -- all of that deferred money
11 into revenue. And so the deferred -- what was left,
12 the 2017 deferred inflows, were \$236,555.

13 On the following page, the statement of
14 revenues, expenses, and changes in net position,
15 mid-page, the year to date revenues were \$1,075,104
16 compared to \$1,303,000 the prior year, and that was
17 primarily due to the high escrow fines that didn't
18 move over into revenue.

19 On Page 2 -- I'm sorry, on the following
20 page, the total expenses increased by about \$1,700.
21 On the last page of the statement, it increased by
22 about \$1,700 over last year. The salaries and
23 related benefits actually decreased by \$5,700. The
24 total net position year-to-date was \$449,285. On
25 the following page is the month-to-month comparison

1 of the revenue and expenses and net position.

2 On Page 7 is the chart of those figures.
3 You can see our renewal period plainly there. The
4 following page is a graph of the year-to-date fee
5 revenues compared to last year.

6 And turning on to Page 9, the certificate
7 of deposit report, we renewed two of the CDs that
8 were at Business First. They had a special of 1.05
9 percent. The Landmark CD actually went down to
10 point 60. So those three matured in January and
11 were renewed with those banks.

12 On the following page, the accounts
13 receivable hearing fines, not much, because, as I
14 said, we didn't have a meeting to approve the
15 escrowed fines, but we did collect \$20,000 on LA
16 Auto Brokers from the bond and that left us with
17 \$228,800 in fines.

18 Mr. Chairman, do you want to approve
19 them, as we go, for January?

20 MR. POTEET:

21 We can approve the two together. Let's
22 go into February. We can approve them together.

23 MS. ANDERSON:

24 All right. So moving on then to the
25 February statements, the statement of net position,

1 cash in the bank was \$2,043,373. The hearing fines
2 because of the two months of fines that moved over
3 was \$222,050.

4 On Page 2, the current liabilities were
5 up to \$63,190. We had a couple of checks received
6 that went into claim against the surety or claim
7 against bonds payable, and escrow fines actually
8 decreased, because we moved that money over after
9 that meeting. Those escrowed fines were approved.
10 On the second page of the statement, the long-term
11 liabilities total, \$246,680.

12 On Pages 6 through 7, the statement of
13 revenues, expenses, and changes in net position, the
14 year-to-date revenues were \$1,154,352. And the
15 total expenses on the last page of the statement
16 increased about \$4,900 over last year in the month
17 to date, primarily due to the fact that we received
18 our invoice. Our audit was a little later than
19 normal. Our invoice was a little later than normal
20 under professional services accounting on the last
21 page there. And the year-to-date net position was
22 \$439,451.

23 Again, on the following page, the month
24 to month comparison of revenues, expenses, and net
25 position, and the graphs on Pages 7 and 8.

1 The CD report, certificate of deposit
2 summary, there were no changes in February. And if
3 you'll turn to Page 10, the accounts receivable
4 hearings, we did record and we did assess and they
5 -- these fines were already paid. These were the
6 escrowed fines, \$20,950, those being the two months
7 that were approved. And we did collect \$7,000 on
8 Phillip's Auto Works leaving the total accounts
9 receivable fines of \$222,050.

10 And unless there are any questions, Mr.
11 Chairman, that concludes my report.

12 MR. POTEET:

13 Any questions?

14 MR. DUPLESSIS:

15 I'm curious. The CDs --

16 MS. ANDERSON:

17 Yes, sir.

18 MR. DUPLESSIS:

19 -- there's opportunities out there on
20 business accounts to placing them in checking
21 accounts that are paying 100 basis points, 1
22 percent. Is that something that we can -- I think
23 we can do as far as an investment strategy.

24 MS. MORRIS:

25 I don't know. Where our checking account

1 is --

2 MS. ANDERSON:

3 What bank are you talking about?

4 MR. DUPLESSIS:

5 The one that I used most recently is
6 Investar.

7 MS. ANDERSON:

8 Yes. Investar is not on the State list.

9 MR. DUPLESSIS:

10 They have to be on the State approved
11 list?

12 MS. ANDERSON:

13 Yes, sir.

14 MS. MORRIS:

15 Our funds, because they are State funds,
16 the banks have to have collateral equal to it and
17 they have to report the collateral to us and some
18 banks don't provide that service.

19 MS. ANDERSON:

20 We have to pledge securities and some
21 banks don't want to do that, and the State list has
22 not been updated, what, in the last 30 years.

23 MS. MORRIS:

24 That's true.

25 MR. DUPLESSIS:

1 Well, I certainly missed that one.

2 MS. ANDERSON:

3 The same list.

4 MS. MORRIS:

5 It has been updated, they do update it.

6 But there are banks that will offer that service and
7 some that don't. Some do not handle public
8 accounts.

9 MR. DUPLESSIS:

10 Understood.

11 MS. ANDERSON:

12 But I can look into it to see if any of
13 the ones on the list will do that and we can talk
14 about it next time.

15 MR. DUPLESSIS:

16 That's okay.

17 MR. POTEET:

18 I'm just going to make a comment that,
19 you know, when we took that big hit on the pension,
20 it dropped our net position down. I want to say by
21 the end of the next fiscal year, we should be
22 completely recovered from that.

23 MS. ANDERSON:

24 I hope so. As long as we don't have to
25 take another hit next time.

1 MR. POTEET:

2 Yes. I mean, that --

3 MS. ANDERSON:

4 That really hurt us, yes. And it was --
5 I don't know. The auditors and everyone said that
6 it wasn't a good picture, you know. It skewed the
7 finances for most agencies and most people don't
8 consider -- even investors don't consider it an
9 accurate portrayal of the financials. They take
10 that out before they even look at it.

11 MR. POTEET:

12 Well, I mean, we're providing the most
13 conservative picture of what we're doing and we're
14 still pretty good there.

15 MS. ANDERSON:

16 Yes, sir.

17 MR. POTEET:

18 Okay. We need a motion to approve the
19 two reports.

20 MR. OLAVE:

21 I make a motion, Mr. Chairman.

22 MR. BREWER:

23 Second.

24 MR. POTEET:

25 George second.

1 All in favor, say, "Aye."

2 (All "Aye" responses.)

3 MR. POTEET:

4 Any opposed:

5 (No response.)

6 MR. POTEET:

7 All right. Thank you, Mona. Good job.

8 All right. The next thing on the agenda,
9 we've got ratifications.

10 MR. PARNELL:

11 Commissioners, you will find in your
12 packet a chart that illustrates dealers that have
13 been imposed penalties. I have determined that the
14 public interested can be served without any further
15 administrative action. I will, as usual, go
16 through, read the dealership name and the fine
17 amount, and we'll move forward.

18 Do we have anyone from -- any
19 representation from any dealers that are on the
20 list?

21 MS. BARON:

22 No, sir.

23 MR. PARNELL:

24 Okay. I-49 Truck and Auto Sales from
25 Lafayette, Louisiana, the fine amount was \$2,000

1 that they paid. DA & Associates of Gibson, LLC,
2 from Gibson, Louisiana, the fine amount was \$6,750.
3 Power Moves Imports, LLC from Baton Rouge,
4 Louisiana, the fine amount was \$500. Kar City, LLC,
5 Lake Charles, Louisiana, fine amount was \$650.
6 Premier Auto Sales, Incorporated from Slidell, fine
7 amount was \$600. Stop-N-Shine from Lake Charles,
8 Louisiana, fine amount was \$400. Total amount of
9 civil penalties for the month was \$10,900 that we've
10 received in the office. Commissioners, I ask that
11 you ratify the imposed civil penalties that have
12 been assessed.

13 MR. POTEET:

14 Motion to ratify.

15 MR. ROY:

16 I move.

17 MR. POTEET:

18 Kirby.

19 I need a second.

20 MR. OLAVE:

21 Second.

22 MR. POTEET:

23 Steve second.

24 All in favor, say, "Aye."

25 (All "Aye" responses.)

1 MR. POTEET:

2 Any opposed?

3 (No response.)

4 MR. POTEET:

5 All right. Those are ratified.

6 We have a ratification?

7 MR. PARNELL:

8 Yes. The next item is ratification of
9 revocation on your next -- your next document.
10 You'll find in your packet the same chart -- a
11 different chart. The person here, they received a
12 notification. They did not respond. We sent out a
13 five-day notice period.

14 MR. POTEET:

15 For the record, could you say the name,
16 please.

17 MR. PARNELL:

18 Jehovah-Tsidkenu Auto Sales from Marrero,
19 Louisiana. The suspension letter went out to them
20 on August 6th of 2015. The notice of revocation was
21 done on 4/6 of '16. Commissioners, I ask that you
22 ratify the -- the revocation.

23 MR. TAYLOR:

24 I make a motion.

25 MR. OLAVE:

1 Second the motion, Mr. Chairman.

2 MR. POTEET:

3 Second Steve.

4 All in favor, say, "Aye."

5 (All "Aye" responses.)

6 MR. POTEET:

7 Any opposed?

8 (No response.)

9 MR. POTEET:

10 All right. That is ratified.

11 All right. The next thing we have is our
12 legislative report. We've got a couple of things
13 here that are going on.

14 MR. DUPLESSIS:

15 I'll kick it off. I'm going to speak
16 more to 467 a little later, but it appears 271,
17 which is our bill -- cleanup bill -- always cleanup
18 bills pretty much, moving along nicely. I'll defer
19 to you, guys, Derek and Sheri, to talk about the
20 progress on that.

21 MR. PARNELL:

22 That bill went through. We did have some
23 amendments to it and we kind of discussed that last
24 month, but it passed favorably through the House.
25 Right now, it's just waiting to be heard in the

1 Senate Committee. As I understand, they're not
2 hearing any House bills on the Senate side as of
3 right now. Within the next couple of weeks, we're
4 expecting them to hear that bill. So we're looking
5 for it to pop up on the agenda. So we will be down
6 there to present.

7 MS. MORRIS:

8 The amendment that we did accept the bill
9 was to remove a provision that would have required a
10 fiscal note and would have made the bill considered
11 a two-thirds fee bill requiring a two-thirds vote,
12 and that was to allow -- to retain a portion of the
13 application fee if the person never completed the
14 application, but given the concern from some of the
15 committee members and the fact that we really didn't
16 have enough information to make a fiscal note
17 available to them, we just removed that provision.
18 But our recommendation to the Executive Director was
19 that for the next year, we really need to look at
20 our fees, because there are some holes in our fees
21 and some inconsistencies and maybe just go with a
22 fee bill and make it -- clean it up and make it
23 consistent all at one time.

24 MR. PARNELL:

25 Try to obtain two instruments next year

1 to talk about, because if you -- in your fee bill,
2 if you don't need that two-thirds vote, you move the
3 entire bill. So we have changed -- have suggested
4 that we have a fee bill and our cleanup, do it
5 separate. So we do get all of our cleanups.

6 MR. POTEET:

7 That makes sense.

8 MR. DUPLESSIS:

9 The next bill was bill 467, this is an
10 interesting bill. It's the one we had spoke about
11 with the salvage pools and it's actually going to
12 kind of put us back in the bid card business. This
13 is a -- this is a very well intended bill by a
14 salvage wholesaler, a large one, who is concerned
15 about several things. The only problem is, there's
16 not a lot of fiscal notes on here and I think it was
17 renounced as a fiscal note, if I'm not mistaken and
18 -- are they going to place a fiscal note on this?

19 MS. MORRIS:

20 467, Ms. Baron and Mr. Parnell and myself
21 met with the Motor Vehicle Commission and the author
22 of the bill, Representative Carmody, who is the
23 Chairman of the committee, the Chairman of the
24 Commerce Committee, and the staff of the Office of
25 Motor Vehicles and the proponent of the bill LKQ to

1 ask that the bill be put in participated by phone
2 conference. And, really, it seems that the bill, as
3 drafted, doesn't really accomplish what they were
4 trying to accomplish. So there was a discussion
5 about redrafting the bill, submitting amendments.
6 That hasn't been done.

7 But at the end of the day, what they're
8 trying to do is capture the transactions through the
9 salvage pools of individuals who are buying multiple
10 salvage vehicles and reselling them without having
11 an auto dealer's license. And so those
12 transactions, because there is no database that
13 shows that a particular person bought 10 or more
14 vehicles through salvage pools, and then maybe
15 reconstructed them and sold them, they don't pay
16 sales tax, they don't -- there is a concern that
17 they're involved in illegal activity and those sorts
18 of things, but there's no way to track that.

19 So there would have to be a system other
20 than what was proposed here and the concern raised
21 by the Office of Motor Vehicles is if the State is
22 going to -- if the car is going out of state, we're
23 not going to pick it up anyway, because we can only
24 require our Louisiana dealers to comply.

25 So the Office of Motor Vehicles suggested

1 that it be brought up to NMVTIS, the Department of
2 Justice, and the group that works with NMVTIS, which
3 I believe they're going to do no matter what happens
4 to the bill, but we never got the amendments and we
5 made it very clear that if we had to be responsible
6 for the database, that built into the bill, there
7 would have to be enough fees to cover cost of the
8 software and personnel that would have to be working
9 with this group. There's a software company that
10 agreed to construct the database free of charge, but
11 the licensing fee is \$60,000 a year, they're
12 estimating now. We don't have any contract for that
13 and my experience has been that licensing fees
14 always go up. So, you know, we have some real
15 concerns and the way they were going to arrive at
16 that fee was to back out the number of transactions
17 in the estimating phase to us.

18 Derek obtained some information from the
19 Office of Motor Vehicles. It looks like there's
20 going to be a pretty heavy fee on those
21 transactions, but they were -- they haven't been
22 able to come up with that. So my suggestion was
23 perhaps this is something that should be studied in
24 the interim and come back next year when we are able
25 to get some more information, particularly on the

1 fees.

2 And I made it very clear that we don't
3 receive any State General Fund dollars unless the
4 State is going to fund it. There has to be a fee
5 commensurate with the cost that the entity would
6 incur. So it was on the schedule for 10:30 this
7 morning. We just noticed that it was deferred and
8 -- but it could be heard tomorrow, because the
9 committee again meets tomorrow and generally if they
10 don't meet on Monday, they move it to Tuesday. So
11 we'll be in touch with them today to try to get a
12 better handle, but we don't have the information
13 that they said they would get to us from the last
14 meeting.

15 MR. POTEET:

16 Now, this -- this is the bill -- this is
17 the bill that, if I'm not mistaken, Copart and IAA.

18 MR. DUPLESSIS:

19 Correct.

20 MS. MORRIS:

21 That is what we heard. We haven't spoken
22 directly with them, but we have heard that.

23 MR. POTEET:

24 And then the other part of this -- so
25 we've got Copart and IAA opposing it, we think, and

1 we're going to impose a fee on them on top of this
2 for their transactions. Does anybody see anything
3 wrong here?

4 MR. DUPLESSIS:

5 I think it's a very simple
6 straightforward bill that was presented in good form
7 if you're the federal government.

8 MR. POTEET:

9 But --

10 MR. DUPLESSIS:

11 We can do -- this bill does nothing to
12 solve the problem --

13 MR. POTEET:

14 Right. I agree.

15 MR. DUPLESSIS:

16 -- and it's ridiculous. It's putting the
17 cart before the horse and, you know, I think this
18 can be reduced. I talked to Carmody in April. He
19 had no idea that -- he listened to a story that was
20 really a good story and this has got a lot of
21 unintended consequences. It's so complex, so
22 involved, and there's too many open -- open holes
23 here and the State is not going to pass anything
24 that's going to cost them a bunch of money. They're
25 not organized for it.

1 MR. POTEET:

2 I was just at the National Auto Auction
3 Association conference in March, last month, and,
4 you know, there was a -- we had a session on -- on
5 NMVTIS or NMVTIS, whatever they want to call it, and
6 we had somebody there from the federal government
7 talking about it and we had two or three different
8 auctions that were represented from different
9 states. And this is one of those things where it's
10 kind of like titles if you think about it.

11 You know, in our dream world, we'd like
12 to have a federal title law, so everybody follows
13 the same rules. But, in reality, the federal
14 government sees this as -- as a thing one way and
15 every single state sees it differently. So the
16 State -- what the federal government, the -- the
17 database of the federal government is trying to
18 maintain or present is at the mercy of the states
19 deciding how much they want to fund.

20 And so what's happening is, is you sit
21 there and listen to conversations. States like
22 Louisiana who have horrible fiscal situations are
23 not going to jump in, because the State has to pay
24 for it somehow, whether it's through fees or whether
25 it's through -- the federal government is not going

1 to pay for it. There's no appetite in Congress to
2 fund something like this at this point in time. So,
3 you know, as I understood it -- and Derek can
4 correct me -- we get a little bit of money up front
5 from the federal government, maybe, and then they
6 back off.

7 MR. PARNELL:

8 Right. That was the initial that they
9 told us, that we would get money from the federal
10 government, and then they're finished with it.

11 MS. MORRIS:

12 That's not certain. I think when the law
13 was passed -- when the federal law was passed, there
14 was a provision that you could apply for money, but
15 I'm not sure that that provision is still an active
16 provision, but they didn't do it -- the State didn't
17 do it at that time period.

18 MR. POTEET:

19 But -- but on a state-by-state basis,
20 it's a voluntary thing and eventually something is
21 going to happen where, you know, it's like a federal
22 title law, maybe not in our lifetime, but some day
23 something like that is going to happen and this
24 database is going to happen somewhere down the road,
25 but who's going to pay for it. I mean, the two

1 organizations that are fighting it are -- if I
2 remember correctly, Copart has got a pretty powerful
3 lobbyist and IAA is pretty strong, too. So, you
4 know, I can't see them sitting around the table and
5 saying, yes, let's go ahead and pay that extra fee,
6 and not only are we going to pay an extra fee, but
7 we're going to report stuff that we don't
8 necessarily want to report anyway. I don't -- I
9 don't see those two organizations letting it get
10 through if they can stop it.

11 MR. PARNELL:

12 Right.

13 MS. MORRIS:

14 Well, what we did was, Derek's and Kim's
15 suggestion, let's look at the salvage dealers'
16 reports that come to our office with the transaction
17 fees. Now, they're not audit reports at this time,
18 but we did pull one month -- one report to try to
19 extrapolate some data and those reports do show who
20 is buying the vehicles through the salvage pools.
21 There is not a collective database the way we want
22 it, but when you look at the transactions, the
23 number of vehicles that were -- went from a
24 Louisiana salvage dealer to a purchaser it is on the
25 list.

1 MR. POTEET:

2 Yes. And what I was going to say about
3 that is, if you have somebody -- let's say you have
4 a -- we're concerned about what's happening in the
5 State of Louisiana. If you have a Louisiana person
6 who's not regulated, not licensed anywhere buying
7 all of his or her cars from Texas and Mississippi
8 and Alabama, we never have any of that. They could
9 be buying a thousand cars a year. And -- and, you
10 know, if they're -- they're smart enough to get
11 around the system, they'll know all I've got to do
12 is just not buy the vehicles in Louisiana and I'll
13 never be affected. And then the other -- other part
14 is true is if I've got a North Dakota dealer buying
15 vehicles in Louisiana, what am I going to do, send
16 him a bill?

17 MR. DUPLESSIS:

18 Well, the bottom line is, it virtually
19 accomplishes nothing, great idea. At the end of the
20 day, what does it accomplish?

21 MR. POTEET:

22 Well, that's just like --

23 MR. DUPLESSIS:

24 Nothing.

25 MR. POTEET:

1 -- NMVTIS, I mean, it's a good idea, but
2 you're going to have to get all 50 states to get the
3 data.

4 MS. MORRIS:

5 That's what the Office of Motor Vehicle
6 said. If it's national, then we would be able to
7 track it, but if it is not state by state, we are
8 just going to push it back to other states.

9 MR. POTEET:

10 And then what happens is, the states that
11 have money are getting involved in it and the states
12 that don't have money, now we're going to wait a
13 little while, we're going to wait until we're out of
14 debt or the federal government comes in and pays it
15 for it.

16 MS. MORRIS:

17 Well, LKQ said -- and I don't know if
18 this is accurate, but they said that there's only
19 one state, the state of Georgia, that has fully
20 implemented it.

21 MR. POTEET:

22 I think it's more than that. Maybe fully
23 implemented.

24 MR. GUILLORY:

25 Fully implemented in only Georgia right

1 now. Mississippi and Alabama are like 60 percent
2 utilization.

3 MR. POTEET:

4 Yes. I think Florida is one that's --
5 that's somewhere along the line. Some of the
6 western states are further along the line, but I
7 think there are only, in this meeting that I went
8 to, maybe 15 states that were into it, really into
9 it. I mean, the others were somewhere like us,
10 either not doing it or thinking about it or just
11 getting started. But I think in the long run, you
12 know, for us to look at it, just as we said, this
13 would -- this would require us to staff up, I mean,
14 not mentioning the licensing fees.

15 MR. PARNELL:

16 Yes.

17 MR. POTEET:

18 We would have to staff up and, you know,
19 we would have to -- we might need a bigger building.
20 We might have to have a staff of people, I don't
21 know.

22 MR. DUPLESSIS:

23 Well, this -- this is a pass through
24 technique. We should pass this through to Motor
25 Vehicle. If we're collecting the data, we should

1 just collect the data and pass it through, because
2 what do we do with the data? I mean, that's all
3 going to go back to Motor Vehicle.

4 MS. MORRIS:

5 They want to make us the enforcement
6 agency.

7 MR. DUPLESSIS:

8 Right.

9 MS. MORRIS:

10 In the bill, we're the enforcement
11 agency. So if somebody has purchased more vehicles
12 than they could without a dealer's license, we would
13 be the enforcement --

14 MR. POTEET:

15 Then, we'd go in and say if they don't
16 have a license.

17 MS. MORRIS:

18 Right, that they are deemed a dealer just
19 like if they were conducting --

20 MR. TAYLOR:

21 That's what we would do anyway.

22 MS. MORRIS:

23 We don't have a good record of getting
24 those fines paid and getting those people and they
25 don't -- they don't have bonds. And so they don't

1 have a license. They don't have a whole lot to lose
2 from this Commission. Our licensees up here,
3 because they could lose their license, they could
4 lose their bond. But unregulated people don't have
5 the same incentive to appear. And then I know with
6 the other boards I represent, unlicensed people, you
7 can go to court and get an injunction, but you can't
8 even serve them. The court is not going to issue an
9 injunction unless they've been properly served. So
10 we can't even serve them, because we don't even know
11 what their address is. So it's kind of hard.
12 Enforcement against unlicensed people is very
13 difficult.

14 MR. GUILLORY:

15 Yes, it is.

16 MR. POTEET:

17 I don't know what you guys think, but I
18 don't see this thing going through at all.

19 MR. DUPLESSIS:

20 I -- I think -- I think Carmody realized
21 that he didn't understand the complete complexity of
22 this. When -- at 30,000 feet and you explain it,
23 it's a great idea. You can buy in. When you start
24 to dig in, you've got --

25 MR. POTEET:

1 How are you going to do it?

2 MR. DUPLESSIS:

3 Right. This is not very cool. And he's
4 backed off of it from what I understand and he's
5 going to probably pass a State resolution. The
6 amendment should be two things, a State resolution
7 and a House resolution. So that way, we have a year
8 to determine that it's a big old can of worms. And
9 we did this once before. What was the last issue,
10 was it insurance --

11 MS. MORRIS:

12 We did a study resolution.

13 MR. DUPLESSIS:

14 Yes. It eventually resolved itself
15 through that study resolution. So I think it's
16 tabled and history until the feds come in and
17 there's a need for it. This is about worldwide
18 terrorism and it's about -- it's about improperly
19 reconstructed totaled cars and that's a -- that's a
20 United States thing. International terrorism, you
21 know, it's going to be after the fact. And they can
22 track that back as best they can anyway. So we
23 don't have a real play in this. I think it's gone.

24 MR. GUILLORY:

25 One of the things besides software that

1 you have to think about, because I read through some
2 of the initial requirements, I couldn't find the
3 updated stuff on it, but just the server room, we
4 don't have a, quote/unquote, server room. Their
5 requirement for the fire suppression system, it's
6 \$100,000 just for that.

7 MR. POTEET:

8 Okay. Like a four foot wall or
9 something?

10 MR. GUILLORY:

11 Well, it -- it has to be -- it has to
12 have a two hour burn -- burn rating on the wall.
13 You have to have a hay line or equivalent dump
14 system. You have to have air-conditioning. You
15 have to have a power backup. You have to have a
16 standby generator in addition to a UPS system. That
17 right there, I used to build those. The average
18 cost is \$250,000 just to get close.

19 MR. POTEET:

20 I just don't see -- again, you can -- you
21 can drill it down to this. I don't see Copart
22 allowing something that says, (a), I've got to give
23 up information, and, (b), I've got to pay somebody
24 to do it. No, I don't see that one going through.
25 That's going to have to be -- I agree with Ron. I

1 think this is going to have to be a federal thing
2 somewhere down the road.

3 MR. GUILLORY:

4 I will say Copart, in my area, because I
5 try to go and meet with them pretty regularly. They
6 had a guy go in from Lake Charles and buy 15 cars
7 the other day. The girl called me and told me, hey,
8 look, this guy, we know he's not a licensed dealer,
9 you might want to check him out. And I went out
10 there and sure enough. So he's in the process of
11 getting his recycling done.

12 MR. POTEET:

13 Yes. I'm -- you know, I'm not casting
14 aspersions on Copart. I think we're trying to do
15 right the thing, but if we try to -- if somebody in
16 the State tries to implement something like this,
17 they --

18 MR. GUILLORY:

19 They'll buck it.

20 MR. POTEET:

21 -- they're going to --

22 MR. TAYLOR:

23 What is LKQ's motivation? Are they
24 trying to -- I don't -- I still don't understand
25 their motivation. What am I missing?

1 MR. PARNELL:

2 Well, the individuals are taxed. You
3 know, the individuals are not paying the state tax.
4 So that's what they're saying.

5 MR. TAYLOR:

6 So they're concerned about our state tax.

7 MR. GUILLORY:

8 They're concern is parts for vehicles is
9 being depleted quickly.

10 MR. POTEET:

11 But if you're selling parts, and then --
12 and buy parts over here this way, why would I buy
13 parts from you?

14 Okay. Anything else on legislative?
15 Everything -- I guess we're pretty calm this year.
16 I -- I do agree with that -- the strategy that we
17 keep the fee stuff separate, so we don't lose
18 anything else.

19 All right. Executive Director's report.

20 MR. PARNELL:

21 You'll find in your packet some
22 compliance investigation complaint totals. The
23 first one is alleged issue counts. The first --
24 you'll see we had 144 alleged issues in the month of
25 March. The second document is the case report. It

1 illustrates that there were 94 assigned cases for
2 the month of March.

3 And the last document you will see is the
4 department summary report that illustrates that
5 there are 27 cases that have been closed for the
6 month. That is the end of my report.

7 Any questions or comments?

8 MR. POTEET:

9 Does anybody have anything, any
10 questions, comments?

11 (No response.)

12 MR. POTEET:

13 Okay. If there's nothing further --

14 MR. PARNELL:

15 Next month, we'll probably have a few
16 hearings next month.

17 MR. POTEET:

18 All right. Motion to adjourn.

19

20 (Meeting adjourned at 10:01 a.m.)

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REPORTER'S CERTIFICATE

I, BETTY D. GLISSMAN, Certified Court Reporter, Certificate No. 86150, in and for the State of Louisiana, do hereby certify that the Louisiana Used Motor Vehicle Commission April 18, 2016, meeting was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding.

This April 25, 2016, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER