

**HOUSE COMMERCE COMMITTEE AND  
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Minutes of Joint Meeting  
1997 Interim  
November 19, 1997

**I. CALL TO ORDER**

Representative John Travis, Chairman of the House Commerce Committee, called the joint meeting of the House Commerce Committee and the Senate Committee on Commerce and Consumer Protection to order at 9:40 a.m. in Committee Room 3 of the State Capitol in Baton Rouge, Louisiana.

**II. ROLL CALL**

**MEMBERS PRESENT:**

Representative John Travis,  
Chairman  
Representative Naomi Farve  
Representative Mickey Frith  
Representative Herman Hill  
Representative Michael Michot  
Representative Arthur Morrell  
Representative Gil Pinac  
Representative Tank Powell  
Representative Clo Fontenot  
Representative Tommy Wright

Senator Ken Hollis,  
Chairman  
Senator Mike Smith,  
Vice Chairman  
Senator Mike Branch  
Senator Wilson Fields  
Senator Francis Heitmeier

**MEMBERS ABSENT:**

Representative Pete Schneider,  
Vice Chairman  
Representative Robert Barton  
Representative Dan Flavin  
Representative Edwin Murray  
Representative Sharon Weston  
Representative Diane Winston

Senator Louis Lambert  
Senator Michael Robichaux

**III. STAFF MEMBERS PRESENT**

Cindy Mancuso, Attorney  
Billy Gothreaux, Research Analyst  
Sandy Painting, Secretary  
Louis Miceli, Sergeant at Arms

#### IV. DISCUSSION

##### House Concurrent Study Request No. 15 by Representative Travis

Representative Travis appeared before the committee to present House Concurrent Study Request No. 15, which requests the House Commerce Committee and the Senate Committee on Commerce and Consumer Protection to meet and to function as a joint committee to study all aspects of the issue of self-help repossession in Louisiana.

Mr. Larry Murray, Commissioner, Louisiana office of financial institutions, 8600 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 922-2627, appeared before the committee for informational purposes only. He explained that the self-help statutes now in place in Louisiana are taken from the model self-help portion of the Uniform Commercial Code. He stated that these statutes set up a summary procedure for creditors wherein they could request from the court that collateral be returned for a past due debt which would allow the sheriff a certain amount of time to repossess the collateral and in the event this didn't happen, the lender could repossess the collateral. He stated that this legislation directed that the office of financial institutions promulgate a regulation and begin the process of licensing repossession agents. He stated that this legislation caused the Sheriff's Association to file suit against the office of financial institutions.

Representative Travis asked if the legislation itself or a portion of the legislation was being challenged in court.

Mr. Mike Rubin, special counsel, Louisiana office of financial institutions, City National Bank Building, Baton Rouge, Louisiana, (504) 383-9000, appeared before the committee for informational purposes only. He stated that the legislation itself was being challenged in that the Sheriff's Association has taken a position that its members are the only ones who can repossess collateral in the state under the Louisiana Constitution. He stated that in 49 other states, the creditor has the right to make seizures.

Mr. Bob Klenzendorf, John Deere Credit, Monroe, Louisiana, (318) 325-1016, appeared before the committee for informational purposes only. He discussed the repossession process of other states as compared to the

Louisiana repossession process (see attachment "A"). He stated that repossession was the last step taken in his business.

Mr. Ken Pickering, Louisiana Finance Association, Louisiana Consumer Finance Association and Community Bankers, (no address provided), appeared before the committee for informational purposes only. He stated that some credit companies will not do business in the state of Louisiana due to the lack of self-help repossession. He stated that the cost of repossession in Louisiana is more costly than any other state.

Mr. Bob Israel, Louisiana Automobile Dealers Association, (no address provided), appeared before the committee in support of HCSR No. 15 and reiterated the testimony of Mr. Pickering.

Mr. Buddy Hodgkins, assistant director, Louisiana Sheriff's Association, 1175 Nicholson, Baton Rouge, Louisiana, (504) 343-8402, appeared before the committee in opposition to HCSR No. 15 due to previous repossession problems over the years including bodily harm and even death.

Representative Powell asked for the amount of money received by a sheriff's office in a repossession.

Mr. Hodgkins stated that the sheriff's office receives a fee of \$100 for each repossession.

## **V. OTHER BUSINESS**

There was no other business discussed.

## **VI. ANNOUNCEMENTS**

There were no announcements.

**VII. ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

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John Travis, Chairman

Date Approved: \_\_\_\_\_