

## HOUSE COMMERCE COMMITTEE

Minutes of Meeting  
1998-99 Interim  
October 13, 1998

### I. CALL TO ORDER

Representative John Travis, Chairman of the House Commerce Committee, called the meeting to order at 10:45 a.m. in Committee Room 1 of the State Capitol in Baton Rouge, Louisiana.

### II. ROLL CALL

#### **MEMBERS PRESENT:**

Representative John Travis,  
Chairman  
Representative Pete Schneider,  
Vice Chairman  
Representative Robert Barton  
Representative Jean Doerge  
Representative Dan Flavin  
Representative Arthur Morrell  
Representative Edwin Murray  
Representative Gil Pinac  
Representative Tank Powell  
Representative Diane Winston  
Representative Clo Fontenot (ad hoc)

#### **MEMBERS ABSENT:**

Representative Naomi Farve  
Representative Mickey Frith  
Representative Mike Michot  
Representative Sharon Weston  
Representative Tommy Wright (ad hoc)

### III. STAFF MEMBERS PRESENT

Cindy Mancuso, Attorney  
Billy Gothreaux, Research Analyst  
Sandy Painting, Secretary  
Dorothy Jarvis, Sergeant at Arms

### IV. DISCUSSION

#### **House Study Request No. 2 by Representative Faucheux**

Representative Faucheux appeared before the committee to present House Study Request No. 2 which requests a study by the House Commerce Committee of the practicality and feasibility of requiring a title search on used motor vehicles to be titled in Louisiana.

He presented to the committee a short film on problems occurring all over the country with water damaged, reconstructed, and salvaged vehicles. These vehicles are being brought into the state of Louisiana and are being sold without this information being disclosed.

Mr. Morris Meyer, 95 Holly Dr., LaPlace, Louisiana 70068, (504) 651-2911, appeared before the committee and referred to sample titles with the history markings and proposed federal legislation (see attached Exhibit "A").

Representative Travis stated that Louisiana law currently requires disclosure of the history of previous purchases. He also stated that the two motor vehicle commissions have not seen this as a major problem.

Mr. Felix Dottolo, (no address provided), (504) 652-6059, appeared before the committee and stated that vehicles are coming back into the state of Louisiana with clear titles even when they were purchased from other states with marked or branded titles.

Representative Morrell suggested that the name of previous owners of vehicles be revealed at the time of purchase.

Mr. Meyer agreed with Representative Morrell regarding the names of previous owners of used vehicles being revealed to the new purchaser.

Mr. Bob Israel, Executive Vice President, Louisiana Automobile Dealers Association, (no address or phone number provided), appeared before the committee and stated that proposed federal legislation on the universal salvage title bill is currently being considered in congress. He stated that there will always be crooks that beat the honest system. He stated that if Representative Faucheux's legislation passed, it would increase the transfer of vehicles in Louisiana by approximately \$6 billion. He stated that if Louisiana's law was adopted nationally, we would not have this problem.

Mr. George Horton, Executive Director, Louisiana Independent Automobile Dealers Association, 7440 Exchange Place, Baton Rouge, Louisiana 70806, (225) 922-9910, appeared before the committee and reiterated Mr. Israel's testimony. He suggested that the actual automobile be physically branded on a place easily visible, such as the inside of the door.

Mr. Rodley Henry, attorney general's office, Baton Rouge, Louisiana, (504)

342-2751, appeared before the committee and stated that there are not many complaints regarding vehicles coming back to Louisiana with improperly marked titles. He stated that either of the two motor vehicle commissions has the option to revoke the license of a dealer if titles are not marked properly. He stated that insurance companies sell vehicles at auctions that are considered totaled but are not always marked as being totaled, therefore these vehicles are being sold and not marked as being branded.

Representative Faucheux stated that requiring a title search on used motor vehicles to be titled in Louisiana would be the next step in making our current laws even better.

#### **House Study Request No. 19 by Representative Morrell**

Representative Morrell appeared before the committee to present House Study Request No. 19 which requests a study by the House Commerce Committee of the rules and regulations promulgated by the Louisiana State Racing Commission. He stated that he would like to see some relief in the existing rules and regulations and suggested that a committee be appointed to study the current operations of the Louisiana State Racing Commission and to make recommendations on rule updates. He suggested that the makeup of this committee be members from various racing entities such as the race tracks, the Louisiana State Racing Commission, the Thoroughbred Breeders Association, the Quarter Horse Association, and the Louisiana Horsemen's Benevolent and Protective Association. He stated that some of the rules that needed updating were the rules regarding the absolute insurer rule; the rule regarding violations and their punishment which involved either a fine or suspension and no probation; the rule stating that children under the age of 16 could not be a licensed owner of a race horse; and rule regarding interest earned on purse money. He stated that these were just some of the issues which needed attention.

Ms. Kim Chatelain, Assistant Attorney General, 4224 Canal St., New Orleans, Louisiana, (504) 599-0733, appeared before the committee and stated that the majority of the industry was satisfied with the current rules of the Louisiana State Racing Commission. She explained that all rules were drafted and reviewed by the rules committee before going to the commission and then on to the House and Senate Commerce Committees for oversight review.

Representative Murray asked why interest earned on purse money did not follow the principal.

Mr. Paul Burgess, Executive Director, Louisiana State Racing Commission, 320 N. Carrollton Ave. 2-B, New Orleans, Louisiana 70119, (504) 483-4000, appeared before the committee and stated that the commission has an on-site auditor who monitors taxes daily but that the interest earned on purse money was not their responsibility. He stated that this issue would probably be a matter handled by the Horsemen's Benevolent and Protective Association.

Representative Morrell questioned and objected to the absolute insurer rule regarding the illegal administering of drugs always being the burden of the trainer. He stated that if too much of a permitted drug was administered by a veterinarian, the trainer was still responsible and felt that this rule should be changed.

Mr. Larry Munster, Steward, Louisiana State Racing Commission, 320 N. Carrollton Ave., New Orleans, Louisiana 70119, (504) 483-4000, appeared before the committee and stated that the rules regarding drug testing were in line with everyone else and if anything, they were a little more liberal regarding the punishment for violations.

Mr. Salvador Enzelmo, former legislator, (no address or phone number provided), appeared before the committee and suggested that the rule regarding the interest earned on the purse money should be addressed. He also stated that the absolute insurer rule was the only thing that provided integrity and protection to the racing industry.

Mr. Constantin Rieger, Assistant Executive Director, Louisiana State Racing Commission, 320 N. Carrollton, Ste. 2-B, New Orleans, Louisiana 70119, (504) 483-4000, appeared before the committee and provided information regarding drug testing. He stated that he worked daily with LSU and that 98% of the drug samples were returned to them with no problems in two or three days. He stated that the only samples which were not returned in two or three days were the ones which showed a positive result and required an additional amount of time for the final results.

Ms. Carolyn DeJean, Executive Director, Horsemen's Benevolent and Protective Association, 1535 Gentilly Blvd., New Orleans, Louisiana

70119, (504) 945-1555, appeared before the committee to expand further on the purse money and interest question. She stated that interest is being earned on the purse money and is being kept by the tracks instead of being returned to the horsemen. She stated that this interest can be as much as \$20,000 per month, depending on the purse.

Representative Morrell suggested that new legislation be proposed to require that the interest earned on purse money stay with the purse and not with the tracks.

**V. OTHER BUSINESS**

The committee addressed, for adoption, Rule LAC 35:I.1733 "Racing a Horse Under Investigation" issued by the Louisiana State Racing Commission.

Mr. Larry Munster explained that the rule change prevented the racing of a horse that had positive drug test results only until a hearing was held by the stewards.

Representative Barton made a motion to adopt the rule. There was no objection and this rule was adopted by a vote of 9 yeas and 0 nays. Those members voting yea were Representatives Travis, Schneider, Barton, Doerge, Morrell, Murray, Pinac, Powell, and Winston.

**VI. ANNOUNCEMENTS**

There were no announcements.

**VII. ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

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John Travis, Chairman

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