

CONFERENCE COMMITTEE REPORT

SB 37

2025 Regular Session

Hensgens

June 11, 2025

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 37 by Senator Hensgens, recommend the following concerning the Engrossed bill:

1. That House Committee Amendments Nos. 1, 2, 3, 4, 5, 8, 11, 13, 14, 15, 17, 18, and 19 of the set of House Committee Amendments (HCASB37 4463 3834) proposed by the House Committee on Commerce and adopted by the House on June 2, 2025, be adopted.
2. That House Committee Amendments Nos. 6, 7, 9, 10, 12, and 16 of the set of House Committee Amendments (HCASB37 4463 3834) proposed by the House Committee on Commerce and adopted by the House on June 2, 2025, be rejected.
3. That all House Floor Amendments of the set of House Floor Amendments (HFAAB37 4463 4060) proposed by Representative Hebert and adopted by the House on June 4, 2025, be rejected.
4. That the following amendments to the engrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "reenact" delete "R.S. 32:1253(A)," and insert "R.S. 32:1252(51), 1253(A), and 1261(A)(1)(t)(i) and (iii),"

AMENDMENT NO. 2

On page 1, line 4, after "requirements;" insert "to provide relative to satellite warranty and repair centers;"

AMENDMENT NO. 3

On page 1, line 6, after "R.S." delete "32:1253(A) is" and insert "32:1252(51), 1253(A), and 1261(A)(1)(t)(i) and (iii) are"

AMENDMENT NO. 4

On page 1, between lines 6 and 7, insert the following:

"§1252. Definitions

The following words, terms, and phrases, when used in this Chapter, shall have the meanings respectively ascribed to them in this Section, except where the context clearly indicates a different meaning:

* * *

(51) "Satellite warranty and repair center" means a motor vehicle repair facility, other than at a motor vehicle dealer franchised location, approved by a manufacturer or distributor and authorized to perform warranty and other repairs on motor vehicles, or a motor vehicle repair facility of a manufacturer or distributor who, as of January 1, 2024, was licensed by the Louisiana Motor Vehicle Commission, either directly or through a subsidiary, to lease motor vehicles, if neither it, nor any common entity, has any franchised

motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state as set forth in R.S. 32:1261.

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AMENDMENT NO. 5

On page 1, line 9, after "duties" insert a semi-colon ";" and insert "**dispute resolution panel**"

AMENDMENT NO. 6

On page 4, line 17, after "**(3)**" insert "**(a)**"

AMENDMENT NO. 7

On page 4, line 19, change "**(a) Be**" to "**(i) Is**"

AMENDMENT NO. 8

On page 4, line 21, change "**(b)**" to "**(ii)**"

AMENDMENT NO. 9

On page 4, between lines 22 and 23, insert the following:

"(b) The three members of the public shall form the dispute resolution panel provided for in Paragraph (4) of this Subsection."

AMENDMENT NO. 10

On page 4, delete line 23 through 29 in their entirety and insert the following:

"(4)(a) All persons or parties involved in a dispute shall have the right to have the dispute, protest, complaint, or other contested matter heard and adjudicated by the dispute resolution panel. Nothing in this Paragraph shall be construed to prohibit the commission from offering informal dispute resolution procedures prior to the commencement of a formal adjudicatory hearing. However, no party shall be required to participate in any informal dispute resolution process in lieu of exercising their right to a formal hearing before the dispute resolution panel."

(b) The dispute resolution panel shall exclusively exercise the adjudicatory authority of the commission, including the power to issue subpoenas, compel the attendance of witnesses, administer oaths, receive evidence in connection with any hearing or other proceeding within its jurisdiction, and render final decisions. This authority includes the power to order remedies and impose fines as authorized by this Chapter and Chapter 6-A of this Title and Chapter 10-B of Title 6 of the Louisiana Revised Statutes of 1950.

(c) The jurisdiction of the dispute resolution panel shall include all disputes, protests, complaints, or other contested matters involving licensees of the commission and also matters involving any person or entity operating without a required license, including those subject to licensure pursuant to this Chapter and Chapter 6-A of this Title, and Chapter 10-B of Title 6 of the Louisiana Revised Statutes of 1950.

(d) The dispute resolution panel shall elect a chair to serve as the presiding officer for each proceeding.

(e) The members of the dispute resolution panel shall not participate in or vote on any of the other business of the commission.

(f) The commission staff shall exercise the investigatory authority of the commission as delegated and subject to oversight by the commission. In the exercise of its investigatory authority, the executive director of the commission may issue subpoenas, compel the attendance of witnesses, administer oaths, receive evidence, and carry out any other investigatory functions as authorized by law."

AMENDMENT NO. 11

On page 5, line 16, change "(c)" to "(g)"

AMENDMENT NO. 12

On page 5, line 20, change "(d)" to "(h)"

AMENDMENT NO. 13

On page 5, line 25, change "(e)" to "(i)(i)"

AMENDMENT NO. 14

On page 6, line 2, change "(f)" to "(j)"

AMENDMENT NO. 15

On page 6, between lines 12 and 13, insert the following:

"§1261. Unauthorized acts

A. It shall be a violation of this Chapter:

(1) For a manufacturer, a distributor, a wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative thereof:

* * *

(t)(i) To operate a satellite warranty and repair center, to authorize a person to perform warranty repairs, including emergency repairs, who is not a motor vehicle dealer, fleet owner, or an emergency services company or emergency services related company, or to authorize a motor vehicle dealer to operate a satellite warranty and repair center within the community or territory of a same-line or make motor vehicle dealer. This Subparagraph shall not apply to recreational product manufacturers. For the purposes of this Subparagraph, "fleet owner" means a person, including a governmental entity, who is approved and authorized by a manufacturer to perform warranty repairs and owns or leases vehicles for its own use or a renting or leasing company that rents, maintains, or leases vehicles to a third party. For the purposes of this Subparagraph, "emergency services company or emergency services related company" means a person who operates any vehicle designated and authorized to respond to an emergency. An emergency vehicle includes but is not limited to police and security vehicles, fire and rescue vehicles, medical vehicles, and civil emergency vehicles, including public utility crews dealing with gas, electricity, or water, or the repair of defective equipment on a scene. However, notwithstanding the provisions of this Subparagraph, a manufacturer or distributor who, as of January 1, 2024, was licensed by the Louisiana Motor Vehicle Commission, either directly or through a subsidiary, to lease motor vehicles, may operate one or more licensed satellite warranty and repair centers in the state, if neither it, nor any common entity, has any franchised motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state. This exception does not apply if the manufacturer or distributor acquires a controlling interest in a franchisor or a subsidiary or other entity controlled by the franchisor, or sold or transferred a controlling interest in the manufacturer or distributor to a franchisor or subsidiary or other entity controlled by the franchisor. "Common entity" means a person who is either directly or indirectly controlled by or has more than thirty percent of its equity interest directly or indirectly owned, beneficially or of record, through any form of ownership structure, by a manufacturer, a distributor, or a licensee, or an affiliate thereof or a person who has more than thirty percent of its equity interest directly or indirectly controlled or owned beneficially or of record, through any form of ownership or structure, by one or more persons who also directly or indirectly control or own, beneficially or of record, more than thirty percent of the equity interests of a manufacturer, a distributor, or any affiliate thereof.

* * *

(iii) A manufacturer who has or has ever had franchised motor vehicle dealers in the state and authorizes a fleet owner to perform warranty repairs shall give notification of the authorization to the dealer located in the same area of responsibility where the fleet owner intends to perform the authorized warranty repairs.

* * *

Respectfully submitted,

Senators:

Representatives:

Senator Bob Hensgens

Representative Troy Hebert

Senator Beth Mizell

Representative Jacob Landry

Senator Mark Abraham

Representative Kim Carver

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

CONFERENCE COMMITTEE REPORT DIGEST

SB 37

2025 Regular Session

Hensgens

Keyword and summary of the bill as proposed by the Conference Committee

MOTOR VEHICLES. Provides for the Louisiana Motor Vehicle Commission. (gov sig)

Report adopts House amendments to:

1. Make technical changes.
2. Restore present law regarding the chairman of the commission and appointment of commissioners from eight commission districts.
3. Remove provisions regarding the commissioners being appointed from the six congressional districts.
4. Clarify the structure and authority of the dispute resolution panel.
5. Move the language regarding judicial review pursuant to the APA.
6. Clarify that members of the dispute resolution panel shall be entitled to compensation in lieu of per diem paid to members of the commission.
7. Change who determines the amount and manner of compensation for the dispute resolution panel from the attorney general to the commission.
8. Clarify the minimum pay for the members of the dispute resolution panel.

Report rejects House amendments which would have:

1. Make technical changes to rejected House Committee Amendments.

Report amends the bill to:

1. Make technical changes.
2. Expand definition of "satellite warranty and repair center" to include facilities of certain manufacturers or distributors.
3. Provides an exception for prohibited operation of a satellite warranty and repair center for certain manufacturers or distributors.

Digest of the bill as proposed by the Conference Committee

Present law defines "satellite warranty and repair center" as a motor vehicle repair facility, other than at a motor vehicle dealer franchised location, approved by a manufacturer or distributor and authorized to perform warranty and other repairs on motor vehicles.

Proposed law retains present law and adds to the definition a motor vehicle repair facility of a manufacturer or distributor who, as of January 1, 2024, was licensed by the Louisiana Motor Vehicle Commission, either directly or through a subsidiary, to lease motor vehicles, if neither it, nor any common entity, has any franchised motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state.

Present law provides for 18 members of the Louisiana Motor Vehicle Commission (commission) to be appointed by the governor. A chairman of the commission shall be appointed from the state at large and 14 members shall be appointed in such a manner that each one shall be from each of the eight commission districts.

Present law provides that each of the commissioners appointed shall be an actively engaged licensee of the commission for not less than five consecutive years prior to being appointed.

Proposed law retains present law that provides for 18 members of the commission to be appointed by the governor subject to Senate confirmation, and maintain the requirement for the chairman of the commission to be appointed from the state at large.

Proposed law removes the requirement that each of the commissioners be an actively engaged licensee of the commission for not less than five consecutive years prior to being appointed and provides instead that of the 18 members appointed, 15 members shall:

- (1) Have held an active license issued by the commission for not less than five consecutive years prior to appointment.
- (2) Maintain an active license issued by the commission throughout their term.
- (3) Be a resident of the state and of good moral character at the time of the appointment.

Proposed law provides that among the 15 members, there shall be representation from the following industries:

- (1) Vehicle leasing or rental.
- (2) Heavy truck sales.
- (3) Marine product sales.
- (4) Motorcycle sales.
- (5) Recreational vehicle sales.
- (6) Sales financing.

Proposed law provides that the three other members shall be members of the public and that they shall form the dispute resolution panel. Requires that each of the three public members be either a retired judge or an attorney licensed in the state with at least ten years of legal experience and have not nor have ever been licensed by the commission.

Proposed law allows all persons or parties to dispute, protest, complaint, and other contested matter heard and determined by the dispute resolution panel.

Proposed law provides that the dispute resolution panel shall exclusively exercise the adjudicatory authority of the commission, including the power to issue subpoenas, compel the attendance of witnesses, administer oaths, receive evidence in connection with any hearing or other proceeding within its jurisdiction, and render final decisions. This authority includes the power to order remedies and impose fines as authorized by present and proposed law.

Proposed law provides that in the exercise of its investigatory function, the executive director may issue subpoenas, compel the attendance of witnesses, administer oaths, and receive evidence.

Proposed law provides that the jurisdiction of the dispute resolution panel shall include all disputes, protests, complaints, or other contested matters involving licensees of the commission and matters involving any person or entity operating without a required license, including those subject to licensure pursuant to present and proposed law. The members of the dispute resolution panel shall not participate in or vote on any of the other business of the commission.

Proposed law provides that nothing in proposed law shall preclude the commission from offering informal dispute resolution procedures prior to formal adjudication hearings, but

no party shall be compelled to participate in informal dispute resolution in lieu of a hearing before the dispute resolution panel.

Proposed law provides that the commission staff shall exercise the investigatory authority of the commission as delegated and provided by law and shall be subject to oversight by the commission.

Proposed law requires the dispute resolution panel to elect a chair to serve as the presiding officer for each proceeding.

Proposed law requires the attorney general to supervise legal services on behalf of the dispute resolution panel, including the appointment of independent legal counsel through the attorney general.

Proposed law provides that a final decision of the dispute resolution panel shall be in writing, shall state specific findings of fact and conclusions of law, and the decisions shall be based solely on the record and officially noticed matters.

Proposed law allows for any aggrieved party to seek judicial review, pursuant to the Administrative Procedure Act, of the final decision in the Twenty-Fourth Judicial District Court within 30 days of the date the decision is transmitted to the parties by certified mail. Further defines "aggrieved party".

Proposed law requires each member of the dispute resolution panel to receive compensation in lieu of the per diem paid to members of the commission, set by the commission and paid from the commission administrative funds and provides for the minimum pay of the panel.

Proposed law provides that a licensee involved in more than one regulated business category is not disqualified from appointment to the commission.

Present law provides that it is an unauthorized act for a manufacturer, a distributor, a wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative thereof to operate a satellite warranty and repair center, to authorize a person to perform warranty repairs, including emergency repairs, who is not a motor vehicle dealer, fleet owner, or an emergency services company or emergency services related company, or to authorize a motor vehicle dealer to operate a satellite warranty and repair center within the community or territory of a same-line or make motor vehicle dealer. Provides that present law prohibition shall not apply to recreational product manufacturers and defines "fleet owner" and "emergency services company or emergency services related company".

Proposed law retains present law and makes an exception to present law for a manufacturer or distributor who, as of January 1, 2024, was licensed by the commission, either directly or through a subsidiary, to lease motor vehicles to operate one or more licensed satellite warranty and repair centers in the state, if neither it, nor any common entity, has any franchised motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state. Provides that the exception does not apply if the manufacturer or distributor acquires a controlling interest in a franchisor or a subsidiary or other entity controlled by the franchisor, or sold or transferred a controlling interest in the manufacturer or distributor to a franchisor or subsidiary or other entity controlled by the franchisor.

Proposed law defines "common entity" as a person who is either directly or indirectly controlled by or has more than 30% of its equity interest directly or indirectly owned, beneficially or of record, through any form of ownership structure, by a manufacturer, a distributor, or a licensee, or an affiliate thereof or a person who has more than 30% of its equity interest directly or indirectly controlled or owned, beneficially or of record, through any form of ownership or structure, by one or more persons who also directly or indirectly control or own, beneficially or of record, more than 30% of the equity interests of a manufacturer, a distributor, or any affiliate thereof.

Present law requires a manufacturer who authorizes a fleet owner to perform warranty repairs to give notification of such authorization to the dealer located in the same area of responsibility where the fleet owner intends to perform the authorized warranty repairs.

Proposed law retains present law and adds a manufacturer who has ever had franchised motor vehicle dealers in the state.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 32:1252(51), 1253(A), and 1261(A)(1)(t))