

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 107

2017 Regular Session

White

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

LAW ENFORCEMENT. Provides exceptions to licensing requirements for specialty vehicle dealers manufacturing armored personnel carriers for sale to law enforcement agencies and exceptions to unauthorized acts regarding sales or offers to sell directly to consumers or to compete with licensees. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds provisions regarding unauthorized acts in the sale and distribution of motor vehicles.
2. Removes an exception to the prohibition against a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative from competing with a licensee in the same-line makes, models, or classifications operating under an agreement or franchise from the manufacturer.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 107 Engrossed

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Present law requires certain persons, including specialty vehicle dealers, to first obtain a license from the Louisiana Motor Vehicle Commission before engaging in business in this state, regardless of whether or not said person maintains or has a place or places of business in this state.

Proposed law provides an exception to the provisions of present law and the rules and regulations of the Louisiana Motor Vehicle Commission for specialty vehicle dealers who manufacture wheeled, armored personnel carriers for sale to law enforcement agencies and who do not maintain or have a place of business in this state. Proposed law expires on July 1, 2018.

Present law, relative to the distribution and sale of motor vehicles and recreational products, prohibits a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative from selling or offering to sell a new or unused motor vehicle directly to a consumer or competing with a licensee operating under an agreement from the manufacturer.

Proposed law retains the prohibition as to selling or offering to sell directly to a consumer and provides an exception against the direct sale to a consumer when any one of the following conditions are met by the manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative:

- (1) Operating an existing, licensed, and franchised motor vehicle dealership or operating an existing, licensed, and franchised for a reasonable period not exceeding two years.
- (2) Operating an existing, licensed, and franchised motor vehicle dealership which is for sale to any qualified independent person at a fair and reasonable price, for a period not to exceed two years.
- (3) Operating in a bona fide relationship in which a person independent of a manufacturer has made a significant investment subject to loss in the dealership, and can

reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions.

Present law prohibits a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative from competing with a licensee in the same-line makes, models, or classifications operating under an agreement or franchise from the manufacturer. Provides that a manufacturer is not competing if doing any one of the following:

(a) Operating a dealership temporarily for a reasonable period, not to exceed two years.

(b) Operating a bona fide retail dealership which is for sale to any qualified independent person at a fair and reasonable price, not to exceed two years.

(c) Operating in a bona fide relationship in which a person independent of a manufacturer has made a significant investment subject to loss in the dealership, and can reasonably expect to acquire full ownership of such dealership on reasonable terms and conditions.

Proposed law removes language as to "competing with a licensee in the same-line makes, models, or classifications operating under an agreement with the manufacturer" and removes the specific exception as to competition by a manufacturer.

Present law requires the Louisiana Motor Vehicle Commission, if the conditions in present law are met, to allow the manufacturer to compete with licensees of the same-line makes, models, or classifications under an agreement or franchise from the manufacturer for longer than two years if the Commission determines that the best interest of the manufacturer, consuming public, and licensees are best served.

Proposed law removes language regarding competition with licensees of the same-line makes, models or classifications under a manufacturer's agreement or franchise for longer than two years and authorizes the manufacturer to continue operating existing, licensed, and franchise dealerships for longer than two years if the best interest of the manufacturer, the consuming public, and licenses.

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

(Amends R.S. 32:1261(A)(1)(k); adds R.S. 32:1254(O))

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