

Proposed law provides that the value of a used vehicle shall be the average trade-in value for used vehicles as indicated in an independent third-party guide for the year, make, and model of the recalled vehicle.

Proposed law shall apply only to:

- (1) Used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and when a stop sale order or do not drive order has been issued and repair parts or remedy remain unavailable for 45 days or longer in accordance with proposed law.
- (2) New motor vehicle dealers holding an affected used vehicle for sale in inventory at the time the stop sale order or do not drive order was issued.
- (3) New motor vehicle dealers holding an affected used vehicle for sale that is a line-make that the dealer is franchised to sell or one which the dealer is authorized to perform recall repairs and that was taken in the used vehicle inventory of the dealer as a consumer trade-in incident to the purchase of a new vehicle from the dealer after the stop sale order or do not drive order was issued and when payments shall begin after the 45th day that affected used vehicle remains in the dealer's inventory and shall cease in accordance with proposed law.

Proposed law provides that it is a violation for a manufacturer to reduce the amount of compensation otherwise owed to an individual new motor vehicle dealer solely because the new motor vehicle dealer has submitted a claim for reimbursement under proposed law.

Proposed law shall not apply to an action by a manufacturer to any prospective change, modification, cancellation, or elimination of any incentive program that is applied uniformly among all dealers of the same line-make in the state.

Proposed law provides that all reimbursement claims made by new motor vehicle dealers for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop sale order or do not drive order shall be subject to the same limitations and requirements as a warranty reimbursement claim made under certain provisions of law. However, a manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than the compensation provided in proposed law, or the manufacturer and dealer otherwise agree.

Proposed law provides that a manufacturer may direct the manner and method in which a dealer shall demonstrate the inventory status of an affected used motor vehicle to determine eligibility under proposed law, provided that such manner and method may not be unduly burdensome and may not require information that is unduly burdensome to provide.

Proposed law provides that nothing shall require a manufacturer to provide total compensation to a dealer that would exceed the total average trade-in value of the affected used motor vehicle as originally determined in proposed law.

Proposed law provides that any remedy provided to a dealer is exclusive and may not be combined with any other state or federal recall compensation remedy or other federal law.

Present law provides for licensing and compliance requirements for motor vehicle and recreational products dealers, which includes maintaining adequate space for displaying new vehicles or recreational products and adequate facilities for the repair and servicing of the products. Proposed law retains present law but also provides that the repair and service facility may be physically located in a building directly across a dedicated municipal street, but not more than 1,000 feet from the applicant's established place of business.

Effective August 1, 2018.

(Amends R.S. 32:1254(E)(5); adds R.S. 32:1264.2)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Provides that the repair and service facility of a dealership may be physically located in a building directly across a dedicated municipal street, but not more than 1,000 feet from the applicant's established place of business.