

2023 Regular Session

HOUSE BILL NO. 481

BY REPRESENTATIVE PRESSLY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MOTOR VEHICLES: Provides relative to certain unauthorized acts of motor vehicle manufacturers, distributors, wholesalers, distributor branches, and converters

1 AN ACT

2 To amend and reenact R.S. 32:1261(A)(1)(p) and (q) and to enact R.S. 32:1261(A)(1)(z),
3 relative to unauthorized acts in the distribution and sale of motor vehicles; to specify
4 what constitutes an unauthorized act related to discrimination against vehicle dealers
5 in incentive programs and sales promotion plans; to make it an unauthorized act to
6 designate a motor vehicle dealer as a delivery agent for new motor vehicles under
7 certain circumstances; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 32:1261(A)(1)(p) and (q) are hereby amended and reenacted and R.S.
10 32:1261(A)(1)(z) is hereby enacted to read as follows:

11 §1261. Unauthorized Acts

12 A. It shall be a violation of this Chapter:

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

15 * * *

16 (p)(i) ~~To unreasonably discriminate among competing, similarly situated,~~
17 ~~same-line make dealers in the sales of vehicles, in the availability of such vehicles,~~
18 ~~in the terms of incentive programs or sales promotion plans, or in other similar~~
19 ~~programs.~~ To refuse to offer or make available to all same-line make dealers all
20 makes and models, including those that may contain a separate badge or label

1 indicating an upgraded version and regardless of whether the vehicle contains an
2 internal combustion engine or is considered a hybrid, electric vehicle or any other
3 means of propulsion.

4 (ii) To unreasonably discriminate among competing dealers with respect to
5 the availability of vehicles, in the terms of incentive programs or sales promotion
6 plans, or in other similar programs, and to put unreasonable time limits on when a
7 dealer must sign up for a sale, incentive, or new model program, whether voluntary
8 or otherwise, and whether or not the manufacturer, distributor, wholesaler, distributor
9 branch or factory branch or representative thereof alleges the creation of a new line-
10 make or model.

11 (q)(i) To terminate, cancel or refuse to continue any franchise agreement
12 based upon the fact that the motor vehicle dealer owns, has an investment in,
13 participates in the management, or holds a franchise agreement for the sale or service
14 of another make or line of new motor vehicles at a different dealership location, or
15 intends to or has established another make or line of new motor vehicles in the same
16 dealership facilities of the manufacturer or distributor.

17 (ii) To withhold any makes and models from franchisees within a line-make
18 and to unreasonably discriminate among competing franchised dealers with respect
19 to the availability of vehicles, in the terms of incentive programs or sales promotion
20 plans, or in other similar programs based upon the fact that the franchised motor
21 vehicle dealer owns, has an investment in, participates in the management of, or
22 holds a franchise agreement for the sale or service of another make or line of new
23 motor vehicles at a different dealership location, or intends to or has established
24 another make or line of new motor vehicles in the same dealership facilities of the
25 manufacturer or distributor.

26 * * *

27 (z) To designate a motor vehicle dealer as a delivery agent for new motor
28 vehicles when the sale of such vehicles was negotiated directly between the
29 manufacturer and the ultimate purchaser of the new motor vehicles, or for a

1 manufacturer to engage in any such sales activities through electronic or digital
 2 means of communication meant for negotiating prices or other binding terms of sale
 3 of new vehicles, directly with ultimate purchasers.

4 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 481 Engrossed 2023 Regular Session Pressly

Abstract: Adds new violations that constitute unauthorized acts in the sale and distribution of motor vehicles by manufacturers, distributors, wholesalers, or their representatives.

Present law specifies that discriminating against similarly situated dealers in the sales of vehicles in incentive programs or sales promotion plans is an unauthorized act. Proposed law modifies present law by adding a clarification regarding vehicles with special badges or labels regardless of the type of engine used in the vehicle.

Proposed law modifies present law by specifying that discriminating among competing dealers with respect to availability of vehicles in terms of incentive programs or sales promotion plans, by placing unreasonable time limits on signing up for the incentive or new model program, whether voluntary or not, or whether industry alleges the creation of a new line vehicle is an unauthorized act.

Proposed law specifies that discriminating among competing franchised dealers with respect to incentive programs or sales promotion plans when a vehicle distributor has an investment in another dealership location with a different make or line of motor vehicles is an unauthorized act.

Proposed law makes it an unauthorized act to designate a motor vehicle dealer as a delivery agent for new motor vehicles when the sale of the vehicles was negotiated directly between the manufacturer and the purchaser of the vehicle.

(Amends R.S. 32:1261(A)(1)(p) and (q); Adds R.S. 32:1261(A)(1)(z))