

Regular Session, 2014

HOUSE BILL NO. 1246

BY REPRESENTATIVE SCHEXNAYDER

COMMERCE: Prohibits tire distributors from engaging in certain practices regarding the return or exchange of tires

1 AN ACT

2 To enact R.S. 51:1422, relative to tire distributors; to provide for the exchange of tires; to
3 provide for the return of tires; to provide for refunds; to provide for unfair trade
4 practices; to provide for penalties; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1422 is hereby enacted to read as follows:

8 §1422. Unfair or deceptive acts or practices; tire distributors; returns

9 A. The legislature finds that refuse tires represent an environmental health
10 problem that must be managed in order to prevent fires and control disease vectors
11 including mosquitoes, rats, and snakes. Accordingly, it is appropriate for the
12 legislature to enact policies regarding the return of tires to sellers and the exchange
13 of tires between distributors and retailers.

14 B.(1) A tire distributor who provides a tire retailer with a product other than
15 the one ordered by the tire retailer shall not charge the tire retailer for the cost of the
16 correct product to be sent to the tire retailer in exchange if all of the following apply:

17 (a) The tire retailer notified the tire distributor of the error within forty-eight
18 hours of delivery of the wrong product.

19 (b) The tire distributor will pick up the original product at the same time the
20 correct product is delivered.

1 (2) If the tire retailer requests to return the incorrect product for a refund
2 instead of an exchange, the tire distributor shall issue a refund in the same method
3 of payment as the original payment no later than forty-eight hours after the incorrect
4 product has been picked up by the tire distributor.

5 B.(1) If a tire retailer orders an incorrect product, the tire distributor shall
6 only charge the tire retailer for the cost of the new product to be provided that
7 exceeds the cost paid by the tire retailer for the product originally ordered if all of
8 the following apply:

9 (a) The tire retailer notified the tire distributor of the error within forty-eight
10 hours of delivery of the product.

11 (b) The tire distributor will pick up the original product at the same time the
12 new product is delivered.

13 (2) If the cost of the new product to be delivered is less than the cost of the
14 product originally ordered, the tire distributor shall issue a refund for the difference
15 in price in the same method of payment as the original payment no later than forty-
16 eight hours after the original product has been picked up by the tire distributor.

17 C. A violation of this Section shall be a deceptive and unfair trade practice
18 and shall subject the violator to any and all actions and penalties provided for in this
19 Chapter.

20 Section 2. This Act shall become effective upon signature by the governor or, if not
21 signed by the governor, upon expiration of the time for bills to become law without signature
22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
23 vetoed by the governor and subsequently approved by the legislature, this Act shall become
24 effective on the day following such approval.

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)]

Schexnayder

HB No. 1246

Abstract: Prohibits tire distributors from engaging in certain practices regarding the return or exchange of tires.

Proposed law prohibits a tire distributor who provides a tire retailer with a product other than the one ordered by the tire retailer from charging the tire retailer for the cost of the correct product to be sent to the tire retailer in exchange if all of the following apply:

- (1) The tire retailer notified the tire distributor of the error within 48 hours of delivery of the wrong product.
- (2) The tire distributor will pick up the original product at the same time the correct product is delivered.

Proposed law requires the tire distributor, if the tire retailer requests to return the incorrect product for a refund instead of an exchange, to issue a refund in the same method of payment as the original payment no later than 48 hours after the incorrect product has been picked up by the tire distributor.

Proposed law requires a tire distributor, if a tire retailer orders an incorrect product, to only charge the tire retailer for the cost of the new product to be provided that exceeds the cost paid by the tire retailer for the product originally ordered if all of the following apply:

- (1) The tire retailer notified the tire distributor of the error within 48 hours of delivery of the product.
- (2) The tire distributor will pick up the original product at the same time the new product is delivered.

Proposed law requires the tire distributor, if the cost of the new product to be delivered is less than the cost of the product originally ordered, to issue a refund for the difference in price in the same method of payment as the original payment no later than 48 hours after the original product has been picked up by the tire distributor.

Proposed law deems a violation of proposed law as a deceptive and unfair trade practice and the violator subject to any and all actions and penalties provided for present law relative to unfair trade practices.

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

(Adds R.S. 51:1422)