SLS 21RS-396 ENGROSSED

2021 Regular Session

SENATE BILL NO. 210

BY SENATOR FOIL

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

MOTOR VEHICLES. Provides relative to recreational vehicle warranties. (8/1/21)

1 AN ACT

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To amend and reenact R.S. 32:1253(A)(3)(a) and R.S. 51:1941(3) and (6), 1943(A), and the introductory paragraph of 1944(A), to enact Part IV-A of Chapter 6 of Title 32 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 32:1270.31 through 1270.39, and to repeal R.S. 51:1948(E), relative to recreational vehicle warranties; to provide for the function of certain appointed members of the Louisiana Motor Vehicle Commission; to provide for the powers and duties of the Louisiana Motor Vehicle Commission; to provide relative to the manufacturer's duty to repair for nonconformity; to provide relative to consumer remedies; to provide for exclusiveness of consumer remedies, warranties, and peremptive periods relative to recreational vehicles; to revise the definition of "motor vehicle" relative to motor vehicle warranties; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:1253(A)(3)(a) is hereby amended and reenacted and Part IV-A of Chapter 6 of Title 32 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 32:1270.31 through 1270.39, is hereby enacted to read as follows:

	§1233. Willow Venicle Commission, appointment and quantications of memoers,
2	terms of office; organization; oath; official bond; compensation;
3	powers and duties
4	A. The Louisiana Motor Vehicle Commission is hereby created within the
5	office of the governor and shall be composed of eighteen members appointed by the
6	governor, as follows:
7	* * *
8	(3)(a) Each of the three remaining appointive members shall be a public
9	member who is not a licensee under this Chapter and shall be appointed from the
10	state at large. These three commissioners shall have the sole function of hearing and
11	deciding matters concerning brokers and disputes between manufacturers,
12	distributors, converters, motor vehicle lessor franchisors, or representatives and
13	motor vehicle dealers, recreational products dealers, specialty vehicle dealers, and
14	motor vehicle lessors, and hearings pursuant to R.S. 32:1270.31 et seq.
15	* * *
16	PART IV-A. RECREATIONAL VEHICLE WARRANTIES
17	<u>§1270.31. Short title</u>
18	This Part shall be known as and may be cited as the "New Recreational
19	Vehicle Warranty Act".
20	§1270.32. Definitions
21	The following words, terms, and phrases, when used in this Part, shall
22	have the meanings respectively ascribed to them in this Section, except where
23	the context clearly indicates a different meaning:
24	(1) "Collateral costs" means sales tax, license fees, and registration fees
25	and any similar government charges.
26	(2) "Commission" means the Louisiana Motor Vehicle Commission.
27	(3) "Consumer" means:
28	(a) The purchaser, other than for purposes of a resale, of a new
29	recreational vehicle normally used for personal, family, or household purposes

1	and subject to a manufacturer's express warranty.
2	(b) A person, other than for purposes of a resale, to whom a recreational
3	vehicle is transferred during the term of an express warranty applicable to the
4	recreational vehicle.
5	(c) Any other person entitled to enforce the recreational vehicle
6	warranty.
7	(4) "Dealer" means a person who holds a license from the commission
8	authorized by the manufacturer to service the items in a recreational vehicle
9	warranted by the manufacturer, who is actively engaged in the business of
10	buying, selling, or exchanging new recreational vehicles at retail, and who has
11	an established place of business.
12	(5) "Manufacturer" means any person, firm, association, corporation,
13	or trust, resident or nonresident, who manufactures or assembles recreational
14	vehicles or the chassis for recreational vehicles.
15	(6) "Manufacturer's express warranty" and "warranty" mean the
16	written warranty issued by the manufacturer.
17	(7) "Nonconformity" means any specific or generic defect or condition
18	which substantially impairs the use, market value, or both, of a new recreational
19	vehicle.
20	(8) "Out of service" means the days a recreational vehicle is not able to
21	be used but does not include routine maintenance days.
22	(9) "Recreational vehicle" means a motorized or towable vehicle, sold in
23	this state, that provides temporary living quarters for travel, recreation, and
24	camping. For purposes of this Part, a "recreational vehicle" includes a motor
25	home, a travel trailer, a fifth-wheel travel trailer, a folding camper trailer, a
26	slide-in truck camper, and a park model trailer.
27	§1270.33. Commission; powers and duties; nonconformity notices; hearings;
28	<u>records</u>
29	A. The commission is hereby vested with the powers and duties necessary

1	to enable it to fully and effectively carry out the provisions and objectives of this
2	Part and to adopt rules, regulations, and forms in accordance with the
3	Administrative Procedure Act to accomplish the purposes of this Part. The
4	enumeration of any power or authority herein shall not be construed to deny,
5	impair, disparage, or limit any other power or authority of the commission.
6	B. The powers and duties of the commission shall include but are not
7	limited to the following:
8	(1) Receive complaints of a recreational vehicle nonconformity to
9	warranty from consumers.
10	(2) Keep records of consumer complaints of a nonconformity related to
11	recreational vehicle warranty defects.
12	(3) Notwithstanding the provisions of R.S. 32:1253(A)(3)(b), schedule
13	hearings on consumer complaints of a nonconformity before the commission's
14	three appointed members pursuant to R.S. 32:1253(A)(3)(a).
15	C. The commission may collect costs to defray the expense of
16	administering the requirements of this Part as authorized by R.S. 32:1260.
17	§1270.34. Manufacturers' duty to repair; nonconformity
18	If a new recreational vehicle does not conform to the manufacturer's
19	express warranty, and the consumer reports the nonconformity to the
20	manufacturer, or any of its authorized recreational vehicle dealers, and makes
21	the recreational vehicle available for repair before the expiration of the
22	warranty, or not later than one year after the date of original delivery of the
23	recreational vehicle to the consumer, the manufacturer, its agent, or its
24	authorized dealer shall make repairs that are necessary to conform the vehicle
25	to the manufacturer's express warranty, notwithstanding the fact that the
26	repairs are made after the expiration of the warranty term or the one-year
27	period.
28	§1270.35. Express warranties; time limit to conform
29	A.(1) It shall be presumed that a reasonable number of attempts have

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been undertaken to conform a recreational vehicle to the applicable express

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_	warranty if the vehicle is out of service by reason of repair for a cumulative
3	total of ninety or more calendar days, or the same nonconformity has been
4	subject to repair four or more times by the manufacturer, its agent, or its
5	authorized dealer, within the warranty term, or not later than one year from the
6	date of original delivery of the new recreational vehicle to the consumer.
7	(2)(a) Notwithstanding the provisions of Paragraph (1) of this
8	Subsection, the consumer shall provide written notification of the need to repair
9	the nonconformity to the manufacturer and the commission, and either of the
10	following:
11	(i) Evidence of a cumulative total of at least ninety days of the
12	recreational vehicle being out of service within the warranty term.
13	(ii) Evidence that the same nonconformity has been subject to repair four
14	or more times by the manufacturer, its agent, or its authorized dealer, within
15	the warranty term, or not later than a period of one year from the date of
16	original delivery of the new recreational vehicle to the consumer.
17	(b) The manufacturer shall respond to the consumer not later than ten
18	business days after receipt of the consumer's written notification of a
19	nonconformity as to when and where the recreational vehicle may be delivered
20	for a final repair attempt. The repair facility shall be one that is authorized by
21	the manufacturer to perform the necessary warranty work.
22	(c) The repair facility shall have ten business days from the date of
23	delivery of the recreational vehicle to the facility to complete repairs using
24	replacement parts and thirty calendar days from the date of delivery of the
25	recreational vehicle to the facility to complete structural repairs to conform the
26	recreational vehicle to the applicable warranty. The time periods provided in
27	this Paragraph may be extended only if the consumer authorizes the extension
28	in writing.

(3) If a manufacturer fails to respond to the consumer or to perform the

1 repairs within the time periods provided in Paragraph (2) of this Subsection, the 2 manufacturer shall be deemed to have waived his rights to a final attempt to 3 cure the nonconformity. B. The duration of an express warranty shall be extended by any period 4 5 of time during which repair services are not available to the consumer because 6 of war, pandemic, invasion, strike, fire, flood, or natural disaster. 7 C. The provisions of Subsection A of this Section shall be suspended for 8 any period of time during which repair services cannot be performed by the 9 manufacturer, its agents, or authorized dealer, because of war, pandemic, 10 invasion, strike, fire, flood, or natural disaster. 11 §1270.36. Recreational vehicle replacement or refund 12 A. If the commission determines a nonconformity in a recreational 13 vehicle has not been repaired within the time periods provided in R.S. 14 32:1270.35, the manufacturer shall either: 15 (1) Replace the recreational vehicle with a comparable new recreational 16 vehicle. (2) At the manufacturer's option, accept return of the recreational 17 vehicle and refund the full purchase price, and any amounts paid by the 18 19 consumer at the point of sale, and all collateral costs, less a reasonable 20 allowance for use by the consumer, or any holder of a perfected security interest 21 in the recreational vehicle, as their interest may appear, if the transaction was 22 a sale. Refunds shall be made to the consumer and lienholder of record, if any, 23 as their interests may appear. 24 B. A reasonable allowance for use by the consumer shall be determined 25 by the commission and shall be that amount directly attributable to use by the consumer prior to his first written notice of a nonconformity to the 26 27 manufacturer, agent, or dealer, and during any subsequent period when the 28 vehicle was not out of service by reason of repair.

C. The consumer shall have no more than one hundred eighty days after

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1	the end of the express warranty term to file a complaint with the manufacturer
2	and the commission to force compliance with the provisions of this Section.
3	§1270.37. Transfer of title; time limitation
4	Upon receipt of the comparable new recreational vehicle or refund
5	pursuant to R.S. 32:1270.36, the consumer shall surrender the recreational
6	vehicle subject to the nonconformity to the manufacturer together with the
7	certificate of title with all endorsements necessary to transfer title to the
8	manufacturer. The manufacturer shall provide the consumer with a
9	comparable new recreational vehicle or refund no later than thirty days after
10	receipt of an offer to transfer title in compliance with this Section by the
11	consumer, or no later than thirty days after a decision by the commission.
12	§1270.38. Mandatory disclosure of a nonconformity to warranty by sellers
13	A.(1) Upon the sale or transfer of title by a manufacturer, its agent, or
14	any dealer of any second-hand recreational vehicle, previously returned to a
15	manufacturer for nonconformity to its warranty pursuant to the requirements
16	of this Part, the manufacturer shall execute an instrument in writing on a form
17	prescribed by the commission setting forth the following information in ten
18	point, all capital type, and deliver to the buyer:
19	"IMPORTANT: THIS RECREATIONAL VEHICLE WAS
20	RETURNED TO THE MANUFACTURER OR DEALER BECAUSE IT DID
21	NOT CONFORM TO ITS WARRANTY AND THE DEFECT OR
22	CONDITION WAS NOT FIXED WITHIN THE TIME PROVIDED BY
23	LOUISIANA LAW."
24	(2) Notice that a recreational vehicle was returned to the manufacturer
25	because it did not conform to its warranty shall also be conspicuously printed
26	on the recreational vehicle's certificate of title.
27	B. The failure of a manufacturer to deliver the instrument required by
28	this Section shall constitute a violation of this Part and is punishable by a fine

of not less than five hundred dollars nor more than one thousand dollars for

each violation.

#### §1270.39. Exclusiveness

This Part provides exclusive remedies, warranties, and peremptive periods as between the manufacturer, dealer, and consumer, relative to nonconformity defects as defined in this Part, and no other provisions of law relative to recreational vehicle warranties and redhibitory vices and defects shall apply. Nothing herein shall be construed to affect or limit any warranty of title.

Section 2. R.S. 51:1941(3) and (6), 1943(A), and the introductory paragraph of 1944(A) are hereby amended and reenacted to read as follows:

### §1941. Definitions

The following definitions apply when used in this Chapter:

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(3) "Dealer" means a person authorized by the manufacturer and actively engaged in the business of buying, selling, or exchanging new automobiles, new personal watercraft, <u>or</u> new all-terrain vehicles, <u>or new motor homes</u> at retail and who has an established place of business.

\* \* \*

- (6) "Motor vehicle" means a passenger motor vehicle or a passenger and commercial motor vehicle as defined in R.S. 32:1252(13), sold in this state on or after September 1, 1984. "Motor vehicle" shall include a personal watercraft as defined in R.S. 34:855.2 and an all-terrain vehicle as defined in R.S. 32:771(1) 32:1252, sold in this state or still under warranty on or after August 15, 1999, which is used exclusively for personal and not commercial purposes. "Motor vehicle" shall include the chassis and drive train of a motor home as defined in R.S. 32:1252(12), sold in this state or still under warranty on or after August 15, 1999, which is used exclusively for personal and not commercial purposes. For the purposes of this Chapter, the following motor vehicles are excluded:
  - (a) Motor vehicles, except for motor homes, 10,000 GVW or above.

extension in writing.

1 (b) Motor vehicles used exclusively for commercial purposes. 2 §1943. Express warranties; time limit to conform 3 A.(1) It shall be presumed that a reasonable number of attempts have been 4 undertaken to conform a motor vehicle to the applicable express warranties if the 5 vehicle is out of service by reason of repair for a cumulative total of forty-five or 6 7 more calendar days or the same nonconformity has been subject to repair four or 8 more times by the manufacturer, its agent, or its authorized dealer within the 9 warranty term or during a period of one year following the date of the original 10 delivery of the motor vehicle to the consumer, whichever is the earlier date. 11 (2)(a) Notwithstanding the provisions of Paragraph (1) of this Subsection, in 12 the case of a motor home, the consumer shall provide written notification to the 13 manufacturer of any of the following: 14 (i) The need to repair the nonconformity. 15 (ii) Evidence of a cumulative total of at least ninety days of the motor home 16 being out of service. 17 (iii) Evidence that the same nonconformity has been subject to repair four or more times by the manufacturer, its agent, or its authorized dealer within the 18 19 warranty term or during a period of one year following the date of the original 20 delivery of the motor vehicle to the consumer, whichever is the earlier date. 21 (b) Upon such notification, the manufacturer shall have a final attempt to 22 repair the vehicle. The manufacturer shall have five business days upon receipt of such notification to respond to the consumer as to where the motor home may be 23 24 delivered for repair. The repair facility shall be one which is authorized by the 25 manufacturer to perform the necessary warranty work. (c) Once delivered, the repair facility shall have ten business days within 26 27 which to conform the vehicle to the applicable warranty. The time periods provided 28 for in this Paragraph may only be extended if the consumer authorizes such

1 (3) If a manufacturer fails to respond to the consumer or to perform the 2 repairs within the time periods described in Paragraphs (1) and (2) of this Subsection, 3 such manufacturer shall be deemed to have waived his rights to a final attempt to cure the nonconformity. 4 5 §1944. Motor vehicle replacement or refund 6 7 A. If a nonconformity in a motor home has not been repaired within the time 8 periods provided for in R.S. 32:1943(A)(2), or if after four or more attempts within 9 the express warranty term or during a period of one year following the date of the 10 original delivery to the consumer of a motor vehicle which is not a motor home, 11 whichever is the earlier, the nonconformity has not been repaired or if the vehicle is out of service by reason of repair for a cumulative total of ninety forty-five or more 12 13 calendar days during the warranty period, the manufacturer shall: 14 Section 3. R.S. 51:1948(E) is hereby repealed. 15

The original instrument was prepared by Prepared by Sharon F. Lyles. The following digest, which does not constitute a part of the legislative instrument, was prepared by Beth O'Quin.

## DIGEST 2021 Regular Session

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<u>Present law</u> creates the Louisiana Motor Vehicle Commission in the office of the governor and provides for appointment of three public members who are not licensed by the commission from the state at large to hear and decide matters concerning brokers and disputes between manufacturers, distributors, converters, motor vehicle lessor franchisors, or representatives and motor vehicle dealers, recreational products dealers, specialty vehicle dealers, and motor vehicle lessors.

Proposed law adds hearings relative to recreational vehicle warranties.

SB 210 Engrossed

Proposed law provides for the "New Recreational Vehicle Warranty Act".

<u>Proposed law</u> provides for definitions of the terms "collateral costs", "commission", "consumer", "dealer", "manufacturer", "manufacturer's express warranty" and "warranty", "nonconformity", "out of service", and "recreational vehicle" applicable to recreational vehicle warranties.

<u>Proposed law</u> authorizes the Louisiana Motor Vehicle Commission to adopt and enforce reasonable rules and regulations, and to prescribe forms pursuant to the Administrative Procedure Act necessary to exercise the objectives of <u>proposed law</u> and lists without limitation the powers and duties of the commission to include the receipt of nonconformity

complaints from consumers, record keeping of nonconformity complaints, hearings on nonconformity complaints, and collection of costs associated with requirements of <u>proposed</u>

<u>Proposed law</u> requires the manufacturer of a recreational vehicle, or any of its authorized dealers, to make repairs necessary to conform the vehicle to the manufacturer's express warranty when a consumer reports nonconformity before the expiration of the warranty or not later than one year from the date of original delivery to the consumer.

<u>Proposed law</u> provides for a presumption of a reasonable number of attempts to conform a recreational vehicle to the express warranty if the vehicle is out of service by reason of repair for a cumulative total of 90 or more calendar days and the same nonconformity has been subject to repair four or more times by the manufacturer. <u>Proposed law</u> further provides that notwithstanding the presumption, the consumer shall provide written notice of a nonconformity to the manufacturer and the commission of the need to repair and evidence that the recreational vehicle has been out of service a total of at least 90 days or has been subject to repair four or more times.

<u>Proposed law</u> provides the manufacturer 10 business days from receipt of written notice of a nonconformity to attempt a final repair and requires the manufacturer to notify the consumer where and when to deliver the recreational vehicle to the repair facility. <u>Proposed law</u> provides the designated repair facility 10 business days for repairs using replacement parts and 30 calendar days for structural repairs. Only written extensions of the repair time periods by the consumer are authorized. <u>Proposed law</u> provides that a manufacturer is deemed to have waived its right to a final attempt to cure the nonconformity if the manufacturer fails to respond or to perform the repairs in these time periods.

<u>Proposed law</u> extends the express warranty term for the consumer and the manufacturer when repair services are not available or cannot be performed because of war, pandemic, invasion, strike, fire, flood, or natural disaster.

<u>Proposed law</u> provides that upon the commission's determination of a recreational vehicle's nonconformity, the manufacturer, at its option, is required to either replace the vehicle with a comparable new recreational vehicle, or to accept return of the recreational vehicle and refund to the consumer the vehicle's full purchase price and collateral costs minus a reasonable allowance for the consumer's use of the vehicle prior to notice of a nonconformity or subsequent use when the vehicle was not out of service for repair.

<u>Proposed law</u> provides for that when the consumer receives a new recreational vehicle or refund, the consumer is required to surrender the certificate of title to the manufacturer not later than 30 days after offer to transfer title or not later than 30 days after the commission's decision.

<u>Proposed law</u> provides that a seller of a recreational vehicle previously returned to a manufacturer for nonconformity to warranty shall provide a written mandatory disclosure of nonconformity instrument to a buyer and subjects the manufacturer to a fine of not less than \$500 nor more than \$1,000 for each violation of non-disclosure.

<u>Proposed law</u> provides that its remedies, warranties, and peremptive periods relative to nonconformity defects of recreational vehicles are exclusive as between the manufacturer, dealer, and consumer.

Present law provides relative to the motor vehicle warranties law, (R.S. 51:1941 et seq.)

<u>Present law</u> defines a "motor vehicle" pursuant to motor vehicle warranties to include a motor home and the chassis and drive train of a motor home.

Proposed law removes motor home and the chassis and drive train of a motor home

including the chassis and drive train from the definition and removes references to motor homes throughout the motor vehicle warranties law.

Effective August 1, 2021.

(Amends R.S. 32:1253(A)(3)(a) and R.S. 51:1941(3) and (6), 1943(A), and 1944(A)(intropara); adds R.S. 32:1270.31-1270.39; repeals R.S. 51:1948(E))

# Summary of Amendments Adopted by Senate

# Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

- 1. Makes technical changes.
- 2. Requires warranty disputes be heard by the three-member panel of the La. Motor Vehicle Commission.
- 3. Provides which expenses are recoverable by the commission if a warranty dispute hearing is held.
- 4. Removes the requirement that a consumer first participate in the manufacturer's informal dispute resolution prior to a complaint being filed with the commission.