

RÉSUMÉ DIGEST

ACT 258 (SB 152)

2022 Regular Session

Abraham

Existing law provides for unauthorized acts of a motor vehicle manufacturer, distributor, wholesaler, distributor branch, factory branch, or converter.

Prior law prohibits a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter, or officer, agent, or other representative thereof from conditioning the renewal or extension of a franchise on a dealer's substantial renovation of the dealer's place of business or on the construction, purchase, acquisition, or rental of a new place of business by the dealer, unless the manufacturer has advised the dealer of its intent to impose such condition within at least 180 days of the proposed date of renewal or extension and has met certain other conditions.

New law removes the prohibition and provides for the following unauthorized acts of a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter, or officer, agent, or other representative thereof:

- (1) To condition the renewal or extension of a franchise on a dealer's substantial renovation of a facility or premises if the renovation would be unreasonable under the circumstances.
- (2) To require, coerce, or attempt to coerce, a dealer or successor dealer to construct or substantially alter a facility or premises if the construction or alteration would be unreasonable under the circumstances.
- (3) To require, coerce, or attempt to coerce, a dealer or successor dealer to construct or substantially alter a facility or premises if the same area of the facility or premises has been constructed or substantially altered within the last 10 years and the construction or alteration was required and approved by the manufacturer as a part of a facility upgrade program, standard, or policy. Excludes certain construction or alterations. Provides that a cancellation or change in a facility upgrade program, policy, or standard does not impact any payment and benefit to a dealer who was participating in that program prior to the cancellation or change in the program, unless agreed upon by the parties. Provides that as part of the program, policy, or standard the manufacturer or distributor shall agree to supply the dealer with an adequate supply and marketable model mix of motor vehicles to meet the sales levels necessary to support the increased overhead incurred by reason of the construction or alteration.
- (4) To require, coerce, or attempt to coerce, a dealer to purchase certain facility construction or maintenance goods or services from a vendor that is selected by a manufacturer, distributor, affiliate, or captive finance source when the dealer may obtain facility construction or maintenance goods or services for items of the same quality, material, and design from a vendor selected by the dealer, provided the dealer obtains prior approval from the manufacturer, distributor, or affiliate for the use of the dealer selected vendor. Provides for the filing of a protest with the commission if the vendor is not approved by the manufacturer and provides for that procedure.

New law defines "substantially altered" and "goods".

Effective August 1, 2022.

(Amends R.S. 32:1261(A)(1)(I))