

Present law provides that it is a violation of law for a manufacturer, a distributor, a wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative thereof to operate a satellite warranty and repair center, to authorize a person to perform warranty repairs who is not a motor vehicle dealer, or to authorize a motor vehicle dealer to operate a satellite warranty and repair center within the community or territory of a same-line or make motor vehicle dealer. Present law makes an exemption for recreational product manufacturer.

Proposed law would have retained present law and added two exemptions as follows:

- (1) Emergency service of a vehicle.
- (2) A fleet owner or governmental entity that is authorized to perform warranty repairs on vehicles with a gross vehicle weight rating of 12,000 pounds or more, vehicles designed for the movement of property, freight, or goods in intrastate or interstate commerce, and vehicles designed for use in utility installation, maintenance, and repair owned or leased by a fleet owner or governmental entity as defined in new law.

Proposed law would have provided the dealer that sold motor vehicles to a fleet owner or governmental entity which vehicles have a gross vehicle weight rating of 12,000 pounds or more, or vehicles designed for the movement of property, freight, or goods in intrastate or interstate commerce, or vehicles designed for use in utility installation, maintenance may give notification and that a manufacturer that authorized the fleet owner or governmental entity to perform warranty repairs shall give notification of the authorization to the dealer located in the same community or territory where the fleet owner or governmental entity intends to perform the authorized warranty repairs. Would have required that this notification include the type of warranty repairs authorized by the manufacturer.

Proposed law would have required that a fleet owner or governmental entity performing warranty repairs meet the same requirements for special tools, equipment, and technician certification that are required of a franchise dealer authorized to make the same warranty repairs on the same makes and models of vehicles being repaired by a fleet owner or governmental entity.

Proposed law would have prohibited a fleet owner or governmental entity authorized to perform warranty repairs from making repairs to the internal drive train or the after-treatment exhaust system of such vehicles.

Proposed law would have defined "fleet owner or governmental entity" for purposes of proposed law to mean a person who or unit of government that owns or leases for its own use or a renting or leasing company that rents to a third party ten or more vehicles with a gross vehicle weight rating of 12,000 pounds or more, vehicles designed for the movement of property, freight, or goods in intrastate or interstate commerce, and vehicles designed for use in utility installation, maintenance.

Would have become effective August 1, 2014.

(Proposed to amend R.S. 32:1261(A)(1)(t))

VETO MESSAGE: "Senate Bill No. 318 by Senator Gary Smith, Jr., provides for exceptions to the law that prohibits a motor vehicle dealer from authorizing a person who is not a motor vehicle dealer to perform warranty repairs.

While the bill as filed presented a narrow exemption for owners of fleet vehicles to do limited warranty work, the bill was amended. Dozens of legislators in both the House and Senate have expressed concerns about the unintended consequences of these amendments that they did not realize when they voted on the bill, and have asked me to veto it as a result.

In addition, the Louisiana Automobile Dealers Association, as well as dealerships across the state, have also asked for a veto. I am concerned that the stakeholders did not have sufficient opportunity to give their input during the development of the bill and that legislators should have the chance to consider the implications.

For these reasons, I have vetoed Senate Bill No. 318 and hereby return it to the Senate."