

2015 Regular Session

SENATE BILL NO. 243

BY SENATOR JOHN SMITH

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

WARRANTIES. Provides relative to warranty repairs of motor vehicles. (8/1/15)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

AN ACT

To amend and reenact R.S. 32:1261(A)(1)(t), relative to warranty repairs; to provide for the operation of satellite warranty and repair centers; to provide for unauthorized acts; to provide for exceptions; to provide certain terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:1261(A)(1)(t) is hereby amended and reenacted to read as follows:

§1261. Unauthorized acts

A. It shall be a violation of this Chapter:

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

* * *

(t)(i) To operate a satellite warranty and repair center, to authorize a person to perform warranty repairs, **including emergency repairs**, who is not a motor vehicle dealer, **fleet owner, or an emergency services company or emergency services related company**, or to authorize a motor vehicle dealer to operate a

1 satellite warranty and repair center within the community or territory of a same-line
2 or make motor vehicle dealer. This Subparagraph shall not apply to recreational
3 product manufacturers. For the purposes of this Subparagraph, "fleet owner"
4 means a person, including a governmental entity, who is approved and
5 authorized by a manufacturer to perform warranty repairs and owns or leases
6 vehicles for its own use or a renting or leasing company that rents, maintains,
7 or leases vehicles to a third party. For the purposes of this Subparagraph,
8 "emergency services company or emergency services related company" means
9 a person who operates any vehicle designated and authorized to respond to an
10 emergency. An emergency vehicle includes but is not limited to police and
11 security vehicles, fire and rescue vehicles, medical vehicles, and civil emergency
12 vehicles, including public utility crews dealing with gas, electricity, or water, or
13 the repair of defective equipment on a scene.

14 (ii) The manufacturer may authorize a fleet owner to perform warranty
15 repairs if the manufacturer determines that the fleet owner has the same basic
16 level of requirements for special tools, technician certification, and training that
17 are required of a franchise dealer, but only those as determined by the
18 manufacturer, in its sole discretion, that are necessary to perform the specified
19 limited type of warranty repairs on the makes and models of motor vehicles for
20 which the fleet owner is authorized to perform warranty repairs.

21 (iii) A manufacturer that authorizes a fleet owner to perform warranty
22 repairs shall give notification of the authorization to the dealer located in the
23 same area of responsibility where the fleet owner intends to perform the
24 authorized warranty repairs.

25 (iv) The provisions of Items (ii) and (iii) of this Subparagraph shall not
26 apply to manufacturers who authorize fleet owners whose commercial vehicles
27 are used for the movement of property, freight, or goods in intrastate or
28 interstate commerce.

29 (v) The commission has no authority over a fleet owner or an emergency

1 services company or emergency services related company with respect to the
2 requirements of this Subparagraph.

3 (vi) A repair facility of a fleet owner authorized under this
4 Subparagraph to perform warranty repairs shall not be deemed a satellite
5 warranty and repair center as defined in R.S. 32:1252 and shall not be required
6 to be licensed by the commission pursuant to R.S. 32:1254.

7 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Michelle Ridge.

DIGEST

SB 243 Reengrossed

2015 Regular Session

John Smith

Present law provides that it shall be 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. The provisions of present law do not apply to recreational product manufacturers.

Proposed law provides that a manufacturer can authorize a fleet owner and an emergency services company or emergency services related company to perform warranty repairs, including emergency repairs.

Proposed law defines a "fleet owner" as a person, including a governmental entity, who is approved and authorized by a manufacturer to perform warranty repairs and owns or leases vehicles for its own use or a renting or leasing company that rents or leases vehicles to a third party.

Proposed law defines "emergency services company or emergency services related company" as a person who operates any vehicle designated and authorized to respond to an emergency. An emergency vehicle includes but is not limited to police and security vehicles, fire and rescue vehicles, medical vehicles, and civil emergency vehicles, including public utility crews dealing with gas, electricity, or water or to repair defective equipment on a scene.

Proposed law provides that the manufacturer may authorize a fleet owner to perform warranty repairs if the manufacturer determines that the fleet owner has the same basic level of requirements for special tools, technician certification, and training that are required of a franchise dealer, but only those as determined by the manufacturer, in its sole discretion, that are necessary to perform the specified limited type of warranty repairs on the makes and models of motor vehicles for which the fleet owner is authorized to perform warranty repairs.

Proposed law provides that a manufacturer that authorizes a fleet owner to perform warranty repairs shall give notification of the authorization to the dealer located in the same area of responsibility where the fleet owner intends to perform the authorized warranty repairs.

Proposed law exempts manufacturers who authorize fleet owners whose commercial

vehicles are used for the movement of property, freight, or goods in intrastate or interstate commerce from the requirements in proposed law relative to requisite tools, certifications, training, and notification.

Proposed law provides that the La. Motor Vehicle Commission ("commission") has no authority over a fleet owner or an emergency services company or emergency services related company with respect to the requirements of proposed law.

Proposed law provides that a repair facility of a fleet owner shall not be deemed a satellite warranty and repair center and shall not be required to be licensed by the commission.

Effective August 1, 2015

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

Summary of Amendments Adopted by Senate

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

1. Defines emergency services company or emergency services related company.
2. Exempts manufacturers who authorize a fleet owner whose commercial vehicles are used in intrastate or interstate commerce from the requirements regarding tools, certifications, training, and notification.
3. Provides that the La. Motor Vehicle Commission shall have no authority over a fleet owner or an emergency services related company.
4. Exempts a repair facility of a fleet owner from licensure by the La. Motor Vehicle Commission.