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## DIGEST

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HB 833 Reengrossed

2015 Regular Session

Henry

**Abstract:** Amends various regulations relative to the sale and distribution of vehicles and relative to the dealers thereof.

Proposed law makes technical changes.

Present law defines as identical the terms "distributor" and "wholesaler". Proposed law broadens the definition of "distributor" and "wholesaler" by expanding its applicability from "motor vehicles" to "vehicles". Present law defines "low-speed vehicle". Proposed law removes the element "electric-powered" from the definition of "low-speed vehicle". Present law defines "marine dealer", in part, as applicable to any person who holds a license as a marine dealer pursuant to present law. Proposed law modifies the definition of "marine dealer" by changing the applicability, in part, to any person who holds a license as a recreational products dealer pursuant to present law. Present law defines "marine motor". Proposed law includes and defines "marine engine" as identical to the term "marine motor". Present law defines "recreational products dealer". Proposed law adds a qualifying sentence to present law, which indicates that duly franchised and licensed recreational products dealers, as defined by present law, shall be the only persons who are entitled to sell, publicly solicit, and advertise the sale of new recreational products.

Present law requires that satellite warranty and repair centers furnish evidence of maintaining certain insurance coverages or other liability protections, specifically including garage liability insurance. Present law requires that those required insurance coverages or other liability protections shall have limits of not less than \$100,000 for bodily injury to one person, \$300,000 per accident, and \$50,000 for property damage. Proposed law requires that satellite warranty and repair centers furnish evidence of maintaining certain insurance coverages within the contents of their application for license. Proposed law removes all references to any specifically required dollar amounts and any specifically required classifications of insurance coverage. Proposed law requires all satellite warranty and repair centers to maintain an insurance policy, which covers both its place of business and its operation, that complies with the financial responsibility laws of Louisiana and that includes a limit in an amount determined to be necessary to protect both the applicant and any relevant consumers.

Present law regulates regional recreational products shows. Proposed law adds and regulates regional specialty vehicle shows. Proposed law regulates the participation of specialty vehicle dealers and converters in these regional shows.

Present law requires that notice of hearing, and an opportunity to participate therein, shall be given

to a motor vehicle dealer or distributor, to the applicant for the license as a motor vehicle dealer, and to the protesting dealership or dealerships relative to present law regulating the establishment or relocation of motor vehicle dealerships. Proposed law requires that notice of hearing, and an opportunity to participate therein, shall be given to the manufacturer or distributor, to the applicant for the license as a motor vehicle dealer, and to the protesting dealership or dealerships. Present law requires that the applicant and motor vehicle dealer or distributor shall have the burden of proof in demonstrating good cause by a preponderance of the evidence. Proposed law requires that the applicant and manufacturer or distributor shall have the burden of proof in demonstrating good cause by a preponderance of the evidence.

Present law authorizes the Louisiana Motor Vehicle Commission ("commission") to impose civil penalties, deny an application for license, or revoke or suspend a license for any violation of any law relating to the sale, lease, rental, distribution, or financing of motor vehicles. Proposed law broadens that authorization to be applicable to vehicles rather than motor vehicles.

Present law deems that it shall be a violation of present law for a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative thereof to fail to designate and provide to the commission in writing either the community or territory assigned to a licensee. Proposed law exempts trailers from this provision of present law. Present law deems that it shall be a violation of present law for a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative thereof to demand compliance with facilities requirements that include any requirements that a motor vehicle dealer establish or maintain exclusive office, parts, service or body shop facilities, unless the requirements would be reasonable and justified by business considerations. Proposed law adds showrooms to the list exempted from compliance with facilities requirements unless the requirements would be reasonable and justified by business considerations.

Present law regulates the damage disclosure information that a seller of a new vehicle must provide to a purchaser. Proposed law narrows the regulations imposed by present law to new motor vehicles; however, damage disclosure requirements relative to marine products, motorcycles, all-terrain vehicles, and recreational vehicles are provided for in other provisions of present law.

Present law requires a manufacturer, wholesaler, distributor, or its representative who terminates or fails to renew a marine dealer franchise to provide 90 days written notice prior to the effective date by certified mail, return receipt requested, or commercial delivery service with verification of receipt to the marine dealer. Proposed law requires a manufacturer, wholesaler, distributor, or its representative who terminates or fails to renew a marine dealer franchise to provide 90 days written notice prior to the effective date by certified mail, return receipt requested, or commercial delivery service with verification of receipt to the marine dealer and the commission.

Proposed law authorizes the commission to maintain a marine dealer license pursuant to other provisions of present law in the event that the marine dealer has new and unused inventory that is not eligible for repurchase relative to the termination or failure to renew a marine dealer franchise.

Present law requires a marine dealer who completes a bona fide, orderly, and permanent closure of

the marine dealership to provide at least 90 days notice to the manufacturer, wholesaler, or distributor. Proposed law requires a marine dealer who completes a bona fide, orderly, and permanent closure of the marine dealership to provide at least 90 days notice to the manufacturer, wholesaler, or distributor and the commission.

Present law regulates the circumstances in which a manufacturer, converter, distributor, or representative thereof shall repurchase automotive service equipment relative to motorcycle dealers and all-terrain vehicle dealers. Proposed law broadens those regulations making present law applicable to service equipment relative to motorcycle dealers and all-terrain vehicle dealers.

Present law regulates the circumstances in which a manufacturer, converter, distributor, or representative thereof shall repurchase automotive service equipment relative to recreational vehicle dealers. Proposed law broadens those regulations making present law applicable to service equipment relative to recreational vehicle dealers.

(Amends R.S. 32:1252(12), (23), (25), (26), and (46)(intro. para.), 1254(G)(4), 1256.1, 1257(C) and (D)(2), 1258(A)(intro. para.) and (6), 1261(A)(1)(n) and (r), 1264, 1270.5(A), (C), (D)(intro. para.), (E), and (J), 1270.17(A)(1)(intro. para.) and (c), and (B), and 1270.29(A)(1)(c) and (B))

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Restore present law as it relates to individuals who sell or offer to sell new motor vehicles, recreational products, or specialty vehicles, or conduct and design advertising or participate in special sales events on behalf of licensees.