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The original instrument was prepared by Curry J. Lann. The following digest, which does not constitute a part of the legislative instrument, was prepared by Sharon F. Lyles.

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DIGEST

SB 158 Engrossed

2016 Regular Session

Cortez

Present law defines "marine product" as a new or used watercraft, boat, or motor designed for recreational or commercial use on water and a boat or watercraft trailer. The term also includes an outboard motor or a boat with an inboard/outboard motor attached to it. The term shall not mean a watercraft designed for use primarily for commercial purposes or new or used watercraft or boats adapted to be powered only by occupant's energy.

Proposed law revises definition to exclude a marine motor designed primarily for recreational or commercial use on water and otherwise retains present law.

Present law creates the Louisiana Motor Vehicle Commission in the office of the governor composed of 18 members appointed by the governor. Requires the commission to be appointed at large. Requires 14 commission members to be appointed so at least one, but no more than two, are appointed from each commission district.

Proposed law removes prohibition of appointment of no more than two members from a commission district.

Present law provides that it is a violation of law for a manufacturer, distributor, wholesaler, distributor branch, factory branch, converter or officer, agent, or other representative, to sell or offer to sell a new or unused motor vehicle or recreational product directly to a consumer except as provided by present law, or to compete with a licensee in the same-line makes, model, or classifications operating under an agreement or franchise from a manufacturer provided that a manufacturer is not deemed to be competing under certain conditions.

Proposed law removes 'recreational product' from present law prohibition.

Present law provides that it is a violation of law for a manufacturer, distributor, a wholesale, distributor branch, or factory branch of marine products or any officer, agent, or other representative thereof to sell or offer to sell a new or unused marine product directly to a consumer except as provided in present law or to compete with a licensee in the same-line makes, models, or classifications operating under an agreement from a manufacturer.

Provides exceptions prohibition to competing with a licensee as follows:

- (1) Operating a marine dealership temporarily for a reasonable period, not to exceed two years.
- (2) Operating a bona fide retail marine dealership that is for sale to a qualified

independent person at a fair and reasonable price, not to exceed two years.

- (3) Operating in a bona fide relationship in which a person independent of a manufacturer has made a significant investment subject to loss in the marine dealership, and can reasonably expect to acquire full ownership of such dealership on reasonable terms and conditions.

Requires the commission, that upon meeting conditions (1) and (2) above, to allow the manufacturer to compete with licensees of the same-line makes, models, or classifications under an agreement from the manufacturer for longer than two years when, in the discretion of the commission, if it best serves the best interest of the manufacturer, consuming public, and licensees.

Proposed law removes provisions of present law and exceptions relative to competing with a licensee operating under an agreement with a manufacturer.

Effective August 1, 2016.

(Amends R.S. 32:1252(27), 1253(A)(1)(intro para), 1261(A)(1)(k)(i)(intro para), and 1270.1(1)(i))

## Summary of Amendments Adopted by Senate

### Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the original bill

1. Revises the definition of "marine product" to exclude watercraft and marine motors designed primarily for use for commercial purposes.
2. Allows the governor to appoint more than two of his 14 member appointments to the Louisiana Motor Vehicle Commission from a commission district.
3. Removes "recreational product" as an unauthorized act for a manufacturer, distributor, wholesaler, distributor branch, converter or officer, agent, or other representative relative to sale or offer to sell a new or unused motor vehicle or to compete with a licensee.
4. Simplifies relative to marine products that it is an unauthorized act for a manufacturer, distributor, wholesaler, distributor branch, converter or officer, agent, or other representative relative to sell or offer to sell a new or unused marine product to a consumer except as provided by law. Removes provisions relative to competition with a licensee and exceptions under certain conditions.