

SENATE BILL NO. 107

BY SENATOR WHITE

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

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AN ACT

To amend and reenact R.S. 32:1261(A)(1)(k) and to enact R.S. 32:1254(O), relative to distribution and sale of motor vehicles; to provide for a licensing exception for specialty vehicle dealers who manufacture wheeled, armored personnel carriers for sale to law enforcement agencies; to provide for an expiration date; to modify certain requirements regarding sales or offers to sell made directly to a consumer; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section. 1. R.S. 32:1261(A)(1)(k) is hereby amended and reenacted and R.S. 32:1254(O) is hereby enacted to read as follows:

§1254. Application for license; requirements for licensure; contents; licenses; franchise filings; **exceptions**

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O. Notwithstanding the provisions of this Chapter and the provisions of Subsection N of this Section to the contrary, this Chapter shall not apply to specialty vehicle dealers who manufacture wheeled, armored personnel carriers for sale to law enforcement agencies and who do not maintain or have a place of business in this state. The provisions of this Subsection shall expire on July 1, 2018.

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§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:

* * *

(k)(i) To sell or offer to sell a new or unused motor vehicle directly to a consumer except as ~~provided in this Chapter, or to compete with a licensee in the same-line makes, models, or classifications operating under an agreement or franchise from the aforementioned manufacturer.~~ A manufacturer shall not, however, be deemed to be competing when any one of the following conditions are is met:

(aa) Operating a an existing, licensed, and franchised motor vehicle dealership temporarily for a reasonable period, not to exceed two years.

(bb) Operating a ~~bona fide retail~~ an existing, licensed, and franchised motor vehicle dealership which is for sale to any qualified independent person at a fair and reasonable price, not to exceed two years.

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

(ii) After any of the conditions have been met under Subitems (aa) and (bb) of Item (i) of this Subparagraph, the commission ~~shall~~ may allow the manufacturer to ~~compete with licensees of the same-line makes, models, or classifications under an agreement or franchise from said manufacturer~~ continue operating an existing, licensed, and franchised motor vehicle dealership for longer than two years when, in the discretion of the commission, the best interest of the manufacturer, consuming public, and licensees are best served.

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Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____