

## RÉSUMÉ DIGEST

ACT 408 (SB 37)

2025 Regular Session

Hensgens

Existing law defines "satellite warranty and repair center" as a motor vehicle repair facility, other than at a motor vehicle dealer franchised location, approved by a manufacturer or distributor and authorized to perform warranty and other repairs on motor vehicles.

New law retains existing law and adds to the definition a motor vehicle repair facility of a manufacturer or distributor who, as of January 1, 2024, was licensed by the Louisiana Motor Vehicle Commission (commission), either directly or through a subsidiary, to lease motor vehicles, if neither it, nor any common entity has any franchised motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state.

Existing law provides for 18 members of the commission to be appointed by the governor. A chairman of the commission shall be appointed from the state at large and 14 members shall be appointed in such a manner that each one shall be from each of the eight commission districts. Requires senate confirmation for commission members.

New law retains existing law that provided for 18 members of the commission to be appointed by the governor subject to Senate confirmation and maintains the requirement for the chairman of the commission to be appointed from the state at large.

Prior law provided that each of the commissioners appointed shall be an actively engaged licensee of the commission for not less than five consecutive years prior to being appointed.

New law removes prior law requirement that each of the commissioners be an actively engaged licensee of the commission for not less than five consecutive years prior to being appointed and provides instead that of the 18 members appointed, 15 members shall:

- (1) Have held an active license issued by the commission for not less than five consecutive years prior to appointment.
- (2) Maintain an active license issued by the commission throughout their term.
- (3) Be a resident of the state and of good moral character at the time of the appointment.

New law provides that among the 15 members, there shall be representation from the following industries:

- (1) Vehicle leasing or rental.
- (2) Heavy truck sales.
- (3) Marine product sales.
- (4) Motorcycle sales.
- (5) Recreational vehicle sales.
- (6) Sales financing.

New law provides that the three other members shall be members of the public and that they shall form the dispute resolution panel. Requires that the three public members be either a retired judge or an attorney licensed in the state with at least ten years of legal experience and have not, nor have ever been, licensed by the commission.

New law allows all persons or parties the right to have the dispute, protest, complaint, or other contested matter heard and determined by the dispute resolution panel.

New law provides that the dispute resolution panel shall exclusively exercise the adjudicatory authority of the commission, including the power to issue subpoenas, compel the attendance of witnesses, administer oaths, receive evidence in connection with any hearing or other

proceeding within its jurisdiction, and render final decisions. This authority includes the power to order remedies and impose fines.

New law provides that the jurisdiction of the dispute resolution panel shall include all disputes, protests, complaints, or other contested matters involving licensees of the commission and matters involving any person or entity operating without a required license, including those subject to licensure pursuant to existing and new law. The members of the dispute resolution panel shall not participate in or vote on any of the other business of the commission.

New law does not preclude the commission from offering informal dispute resolution procedures prior to formal adjudication hearings, but no party shall be compelled to participate in informal dispute resolution in lieu of a hearing before the dispute resolution panel.

New law provides that in the exercise of its investigatory function, the executive director may issue subpoenas, compel the attendance of witnesses, administer oaths, and receive evidence.

New law provides that the commission staff shall exercise the investigatory authority of the commission as delegated and provided by law and shall be subject to oversight by the commission.

New law requires the dispute resolution panel to elect a chair to serve as the presiding officer for each proceeding.

New law requires the attorney general to supervise legal services on behalf of the dispute resolution panel, including the appointment of independent legal counsel through the attorney general.

New law provides that a final decision of the dispute resolution panel shall be in writing, shall state specific findings of fact and conclusions of law, and the decisions shall be based solely on the record and officially noticed matters.

New law allows for any aggrieved party to seek judicial review of the final decision in the 24th JDC within 30 days of the date the decision is transmitted to the parties by certified mail. Defines "aggrieved party".

New law requires each member of the dispute resolution panel to receive compensation in lieu of the per diem paid to members if the commission, set by the commission and paid from the commission's administrative funds and provides for the minimum pay of the panel.

New law provides that a licensee involved in more than one regulated business category is not disqualified from appointment to the commission.

Existing law provides that it is an unauthorized act 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, 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 satellite warranty and repair center within the community or territory of a same-line or make motor vehicle dealer.

New law retains existing law and makes an exception to existing law for a manufacturer or distributor who, as of January 1, 2024, was licensed by the commission, either directly or through a subsidiary, to lease motor vehicles to operate one or more licensed satellite warranty and repair centers in the state, if neither it, nor any common entity, has any franchised motor vehicle dealers within this state, or has ever had franchised motor vehicle dealers licensed in this state. Provides that the exception does not apply if the manufacturer or distributor acquires a controlling interest in a franchisor or a subsidiary or other entity controlled by the franchisor, or sold or transferred a controlling interest in the manufacturer or distributor to a franchisor or subsidiary or other entity controlled by the franchisor.

Existing law requires a manufacturer who authorizes a fleet owner to perform warranty repairs to 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.

New law retains existing law and adds a manufacturer who has ever had franchised motor vehicle dealers in the state.

Effective June 20, 2025.

(Amends R.S. 32:1252(51), 1253(A), and 1261(A)(1)(t)(i) and (iii))