

Prior law required that certain persons be licensed by the Motor Vehicle Commission, including auto shows, trade shows, and exhibitions, which also includes promoters and nonresident exhibitors.

New law repeals the requirement that nonresident exhibitors be licensed by the commission.

Existing law provides for additional licensing and compliance requirements for motor vehicle and recreational products dealers.

Existing law provides that a motor vehicle dealer holding a license shall not be required to obtain a license as a motor vehicle lessor, used motor vehicle dealer, or specialty vehicle dealer or converter, when modifying or selling those vehicles he is duly franchised and licensed to sell when such operations are conducted from the location from which the motor vehicle dealer is licensed to do business.

New law retains existing law but also exempts recreational products dealers from the requirement to obtain a license for the purposes of modifying or selling vehicles they are duly franchised and licensed to sell from the location from which the recreational products dealer is licensed to do business.

Prior law provided for unauthorized acts pursuant to prior law regarding the sale and distribution of motor vehicles.

Prior law provided that it is an unauthorized act for any person or other licensee to modify a franchise during the term of the agreement or upon its renewal if the modification substantially and adversely affects the franchisee's rights, obligations, investment, or return on investment without giving 60-days written notice of the proposed modification to the licensee and Motor Vehicle Commission. Such notice is not required if the modification is required by law, court order, or the commission.

New law requires that the 60-day written notice to the licensee and commission must include the grounds upon which the modification is based. New law exempts recreational products from new law franchise modification requirements.

Prior law provided that warranty and sales incentive audits of dealer records may be conducted by the manufacturer, distributor, distributor branch, or factory branch.

Prior law further provided that any audit for sales incentives, service incentives, rebates, or other forms of incentive compensation shall only be for the 12-month period immediately following the date of the close of the promotion, event, program, or activity.

New law changes prior law by providing that the 12-month period shall begin following the date of final payment to the dealer under a promotion, event, program, or activity.

New law provides that a dealer shall not be charged back on a claim when a dealer performs a repair covered by the manufacturer's or distributor's warranty, and the dealer reasonably demonstrates that the repair resolved the condition which the customer presented for resolution, and the dealer documents what has been repaired and the process utilized to accomplish the repair. New law exempts recreational products dealers.

New law provides that it shall be deemed an unfair act pursuant to existing law to audit a dealer more frequently than two sales-related and two service-related audits in a 12-month period. New law provides that nothing in new law shall limit a manufacturer's or distributor's ability to perform routine claim reviews in the normal course of business.

New law provides no claim may be rejected as late if it has been submitted within 60 days of the date the repair order was written.

Effective August 15, 2011.

(Amends R.S. 32:1254(A)(19) and E(9)(d), 1261(6)(a), and 1262(B)(1) and (4); Adds R.S. 32:1262(B)(5)-(7))

