

Regular Session, 2010

HOUSE BILL NO. 1222

BY REPRESENTATIVE ARNOLD

MOTOR VEHICLES: Provides relative to the distribution and sale of motor vehicles

1 AN ACT

2 To amend and reenact R.S. 32:1252(27), 1254(A)(19), (B), (C)(introductory paragraph) and
3 (9) and (10), (D)(introductory paragraph) and (7), (E)(7) and (9)(d), (F)(introductory
4 paragraph) and (4), (J)(introductory paragraph) and (5), (L)(introductory paragraph)
5 and (5), and (N), 1255(A), 1261(1)(a)(introductory paragraph), (I), (vii), and (viii),
6 (b), (d), (e), (g) through (I), (k)(i)(introductory paragraph) and (ii), (n), and (p),
7 (2)(introductory paragraph), (a) through (e), (f)(introductory paragraph), (ii), and
8 (iv), (g), and (i), (3), (4)(a), (b), and (d), (5)(a), (b), and (d), and (7), 1261.1,
9 1262(A)(1) and (B)(3), 1263, 1264, and 1268(A)(1)(introductory paragraph), (a), and
10 (d), and (2), (B), and (C)(1), to enact R.S. 32:1252(51) and (52) and 1260(E) and (F),
11 and to repeal R.S. 32:1268.1, relative to the Motor Vehicle Commission; to provide
12 for definitions; to provide for changes to licensure for persons licensed by the
13 commission; to provide for changes to licensure requirements; to provide for change
14 to insurance requirements; to provide for additional penalties and relief for the
15 commission; to provide for changes to unauthorized acts of licensee of the
16 commission; to provide for changes to termination requirements of a licensee of the
17 commission; and to provide for related matters.

18 Be it enacted by the Legislature of Louisiana:

19 Section 1. R.S. 32:1252(27), 1254(A)(19), (B), (C)(9) and (10), (D)(introductory
20 paragraph) and (7), (E)(7) and (9)(d), (F)(introductory paragraph) and (4), (J)(introductory

1 paragraph) and (5), (L)(introductory paragraph) and (5), and (N), 1255(A),
2 1261(1)(a)(introductory paragraph), (i), (vii), and (viii), (b), (d), (e), (g) through (i),
3 (k)(i)(introductory paragraph) and (ii), (n), and (p), (2)(introductory paragraph), (a) through
4 (e), (f)(introductory paragraph), (ii), and (iv), (g), and (i), (3), (4)(a), (b), and (d), (5)(a), (b),
5 and (d), and (7), 1261.1, 1262(A)(1) and (B)(3), 1263, 1264, and 1268(A)(1)(introductory
6 paragraph), (a), and (d), and (2), (B), and (C)(1) are hereby amended and reenacted and R.S.
7 32:1252(51) and (52) and 1260(E) and (F) are hereby enacted to read as follows:

8 §1252. Definitions

9 The following words, terms, and phrases, when used in this Chapter, shall
10 have the meanings respectively ascribed to them in this Section, except where the
11 context clearly indicates a different meaning:

12 * * *

13 (27) "Motorcycle" means a motor vehicle having a seat or saddle for the use
14 of the rider and designed to travel on not more than three wheels in contact with the
15 ground but excluding a tractor and electric-powered scooters not required to be
16 registered.

17 * * *

18 (51) "Vehicle" means any motor vehicle, specialty vehicle, or recreational
19 product subject to regulation by this Chapter.

20 (52) "Dealer" means any person licensed to sell a motor vehicle or
21 recreational product subject to regulation by this Chapter.

22 §1254. Application for license; requirements for licensure; contents; licenses;
23 franchise filings

24 A. The following persons shall be licensed by the commission in order to
25 engage in business in the state of Louisiana, regardless of whether or not said person
26 maintains or has a place or places of business in this state, and it is a violation of this
27 Chapter to operate without first obtaining a license:

28 * * *

1 manufacturer, ~~distributor, wholesaler,~~ or a convertor or secondary manufacturer shall
2 immediately file with the commission a copy of the franchise or addendum.

3 E. Additional licensing and compliance requirements for motor vehicle and
4 recreational products dealers.

5 * * *

6 (7) All motor vehicle or recreational products ~~dealers shall furnish evidence~~
7 ~~that they currently have garage liability insurance or liability protection provided by~~
8 ~~a liability trust fund as authorized by R.S. 22:46(9)(d) covering their place of~~
9 ~~business. The required insurance policy or liability protection shall have limits of~~
10 ~~not less than one hundred thousand dollars for bodily injury to one person, three~~
11 ~~hundred thousand dollars per accident, and fifty thousand dollars for property~~
12 ~~damage~~ dealer applications for license pursuant to this Chapter shall include
13 evidence the applicant has insurance covering its place of business and its operation
14 that complies with the financial responsibility laws of this state and as determined
15 by the applicant and its insurance agent, that is necessary to provide coverage to the
16 place and nature of the business sought to be licensed to protect the applicant and the
17 consumers of this state.. Said insurance ~~or liability protection~~ shall be maintained
18 throughout the period of licensure. Failure to maintain such insurance ~~or liability~~
19 ~~protection~~ shall result in the immediate suspension of license, which suspension shall
20 be effective as of the date of said failure to maintain said ~~liability~~ insurance coverage
21 ~~or liability protection~~ until proof of the required ~~garage liability~~ insurance ~~or liability~~
22 ~~protection~~ is furnished to the commission. Should no proof of insurance ~~or liability~~
23 ~~protection provided by a liability trust fund as authorized by R.S. 22:46(9)(d)~~ be
24 furnished to the commission within thirty days, the license of ~~said~~ such licensee shall
25 be revoked. ~~Recreational products dealers selling all-terrain vehicles shall not be~~
26 ~~required to furnish and keep in force the minimum garage liability insurance~~
27 ~~coverage on all-terrain vehicles offered for sale unless the vehicles are utilized on the~~
28 ~~streets and roadways for demonstration or any other purpose.~~

29 * * *

1 (9)

2 * * *

3 (d) Notwithstanding any other provisions of law to the contrary, any motor
4 vehicle ~~or recreational products~~ dealer holding a license hereunder shall not be
5 required to obtain a license as a motor vehicle lessor, used motor vehicle dealer, or
6 specialty vehicle dealer or converter, when modifying or selling those vehicles ~~or~~
7 ~~products~~ he is duly franchised and licensed to sell, provided such operations are
8 conducted from the location from which ~~said~~such motor vehicle ~~or recreational~~
9 ~~products~~ dealer is licensed to do business.

10 * * *

11 F. Additional licensing and compliance requirements for used motor vehicle
12 facilities operated by new motor vehicle dealers, motor vehicle lessors and specialty
13 vehicle dealers:

14 * * *

15 (4) All used motor vehicle facilities licensed by the commission shall furnish
16 ~~evidence that they currently have garage liability insurance or liability protection~~
17 ~~provided by a liability trust fund as authorized by R.S. 22:46(9)(d) covering their~~
18 ~~places of business. The required insurance policy or liability protection shall have~~
19 ~~limits of not less than one hundred thousand dollars for bodily injury to one person,~~
20 ~~three hundred thousand dollars per accident, and fifty thousand dollars for property~~
21 ~~damage.~~ in their application for license pursuant to this Chapter evidence the
22 applicant has insurance covering its place of business and its operation that complies
23 with the financial responsibility laws of this state and as determined by the applicant
24 and its insurance agent, that is necessary to provide coverage to the place and nature
25 of the business sought to be licensed to protect the applicant and the consumers of
26 this state. Said insurance ~~or liability protection~~ shall be maintained throughout the
27 period of licensure. Failure to maintain such insurance ~~or liability protection~~ shall
28 result in the immediate suspension of license, which suspension shall be effective as
29 of the date of said failure to maintain ~~said liability~~such insurance coverage ~~or~~

1 L. Additional licensing and compliance requirements for specialty vehicle
2 dealers.:

3 * * *

4 (5) All specialty vehicle dealers shall furnish evidence ~~that they currently~~
5 ~~have garage liability insurance covering their place of business. The policy must~~
6 ~~have limits of not less than one hundred thousand dollars for bodily injury to one~~
7 ~~person, three hundred thousand dollars per accident and fifty thousand dollars for~~
8 ~~property damage.~~ in their application for license pursuant to this Chapter evidence
9 the applicant has insurance covering its place of business and its operation that
10 complies with the financial responsibility laws of this state and as determined by the
11 applicant and its insurance agent, that is necessary to provide coverage to the place
12 and nature of the business sought to be licensed to protect the applicant and the
13 consumers of this state. Said insurance must be maintained throughout the period of
14 licensure. Failure to maintain such insurance shall result in the immediate
15 suspension of license, which suspension shall be effective as of the date of said
16 failure to maintain ~~said liability~~such insurance coverage until proof of the required
17 ~~garage liability~~ insurance is furnished to the commission. If no proof of insurance
18 is furnished to the commission within thirty days, the license of ~~said~~such licensee
19 shall be revoked.

20 * * *

21 N. Any person who sells or offers to sell new motor vehicles, recreational
22 products, or specialty vehicles, or leases, rents, or offers to lease or rent new motor
23 vehicles, recreational products, or specialty vehicles, or conducts and designs
24 advertising, participates in special sales events on behalf of licensees, and which is
25 not a licensee of the commission shall, nonetheless, be subject to the provisions of
26 Chapter 6 of Title 32 and the rules and regulations of the commission ~~which pertain~~
27 ~~to the regulation of advertising.~~

28 §1255. Fees; penalties

1 distributor not disclose the consumer's identity to the dealer, the manufacturer may
2 withhold the consumer's identity in providing the survey response to the dealer, and
3 the manufacturer may use the response. Any survey used must have the following
4 characteristics:

5 * * *

6 (b) To refuse to deliver to any ~~duly licensed motor vehicle dealer~~ licensee
7 having a franchise or contractual arrangement for the retail sale of ~~new motor~~
8 vehicles sold or distributed by such manufacturer, distributor, wholesaler, distributor
9 branch or factory branch, any motor vehicle, publicly advertised for immediate
10 delivery, within sixty days after such dealer's order shall have been received.

11 * * *

12 (d) To unfairly, without just cause and due regard to the equities of said
13 dealer, cancel the franchise of any ~~motor vehicle dealer~~ licensee. Failure to meet
14 performance standards based on a survey of sales penetration in a regional, national,
15 territorial, or other geographic area shall not be the sole cause for cancellation of a
16 franchise. The nonrenewal of a franchise or selling agreement with said dealer or his
17 successor without just provocation or cause, or the refusal to approve a qualified
18 transferee or qualified successor to the dealer-operator as provided for in the
19 franchise or selling agreement, or solely for failure to meet performance standards
20 based on a survey of sales penetration in a regional, national, territorial, or other
21 geographic area, shall be deemed an evasion of this Paragraph and shall constitute
22 an unfair cancellation, regardless of the terms or provisions of such franchise or
23 selling agreement. However, at least ninety-days notice must be given to the dealer
24 of any cancellation or nonrenewal of a franchise except for a cancellation arising out
25 of the financial default of the motor vehicle dealer or fraudulent activity of the dealer
26 principal which results in the conviction of a crime punishable by imprisonment.

27 (e) To refuse to extend to a ~~motor vehicle dealer~~ licensee the privilege of
28 determining the mode or manner of available transportation facility that said dealer

1 desires to be used or employed in making deliveries of ~~new motor~~ vehicles to him
2 or it.

3 * * *

4 (g) To delay, refuse, or fail to deliver motor vehicles in reasonable quantities
5 relative to the ~~new motor vehicle dealer's~~ licensee's facilities and sales potential in
6 the relevant market area. This Subparagraph shall not be valid, however, if such
7 failure is caused by acts or causes beyond the control of the manufacturer,
8 distributor, or other such party.

9 (h) To ship or sell motor vehicles ~~to a motor vehicle dealer~~ or recreational
10 products to a licensee prior to the ~~motor vehicle dealer~~ licensee having been granted
11 a license by the commission to sell such ~~motor~~ vehicles.

12 (i) To unreasonably withhold consent to the sale, transfer, or exchange of the
13 franchise to a qualified transferee capable of being licensed as a ~~new motor vehicle~~
14 dealer in this state, provided the transferee meets the criteria generally applied by the
15 manufacturer in approving new ~~motor vehicle~~ dealers and agrees to be bound by all
16 the terms and conditions of the standard franchises.

17 * * *

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

24 * * *

25 (ii) After any of the conditions have been met under Subitems (aa) and (bb)
26 ~~above~~, of this Item the commission shall allow the manufacturer ~~of new motor~~
27 ~~vehicles~~ to compete with ~~new motor vehicle dealers~~ licensees of the same-line
28 makes, models, or classifications under an agreement or franchise from said
29 manufacturer for longer than two years when, in the discretion of the commission,

1 the best interest of the manufacturer, consuming public, and ~~new motor vehicle~~
2 ~~dealer~~ licensees are best served.

3 * * *

4 (n) To fail to designate and provide to the commission in writing the
5 community or territory assigned to a ~~motor vehicle dealer~~ licensee.

6 * * *

7 (p) To unreasonably discriminate among competing, similarly-situated, same
8 line make ~~motor vehicle~~ dealers in the sales of vehicles, in the availability of such
9 vehicles, in the terms of incentive programs or sales promotion plans, or in other
10 similar programs.

11 * * *

12 (2) For a motor vehicle dealer, specialty vehicle dealer, recreational product
13 dealer, used motor vehicle dealer, or a motor vehicle salesman:

14 (a) To require a purchaser of a ~~new motor~~ vehicle, as a condition of sale and
15 delivery thereof, to also purchase special features, appliances, accessories, or
16 equipment not desired or requested by the purchaser; however, this prohibition shall
17 not apply as to special features, appliances, accessories, or equipment which are
18 permanently affixed to the vehicle.

19 (b) To represent and sell as a new ~~motor~~ vehicle any ~~motor~~ vehicle, the legal
20 title of which has been transferred by a manufacturer, distributor, or dealer to an
21 ultimate purchaser.

22 (c) To resort to or use any false or misleading advertisement in connection
23 with his business as such ~~motor~~ vehicle dealer or motor vehicle salesman.

24 (d) To sell or offer to sell makes, models, or classifications of new ~~motor~~
25 vehicles for which no franchise and license to sell is held.

26 (e) Except as otherwise approved by the commission, to sell or offer to sell
27 a ~~motor~~ vehicle from an unlicensed location.

28 (f) To deliver to a prospective purchaser a new or a used ~~motor~~ vehicle on
29 a sale conditioned on financing, i.e., a spot delivery, except on the following terms

1 and conditions which shall be in writing and shall be a part of the conditional sales
2 contract or other written notification signed by the purchaser:

3 * * *

4 (ii) That the ~~motor~~ vehicle being offered for trade-in by the purchaser shall
5 not be sold by the ~~motor-vehicle~~ dealer until the conditional sale is complete.

6 * * *

7 (iv) That if the conditional sale is not completed, the ~~motor-vehicle~~ dealer
8 shall immediately refund to the purchaser upon return of the vehicle all sums placed
9 with the dealership as a deposit or any other purpose associated with the attempted
10 sale of the vehicle.

11 * * *

12 (g) To pay a fee to any person in return for the solicitation, procurement, or
13 production by that person of prospective purchasers for new and used ~~motor~~
14 vehicles, except to a salesman licensed under the provisions of this Chapter.

15 * * *

16 (i) When selling a ~~motor~~ vehicle to a consumer, to assess any consumer
17 services fees, which shall include fees for treating the interior upholstery of the
18 vehicle, oil changes, roadside assistance, dealer inspections, or any other service
19 offered by the dealer, without allowing the buyer to refuse such services and be
20 exempt from payment for such services. The provisions of this Subparagraph shall
21 not apply to dealer-added options or accessories which are permanently affixed to
22 the vehicle.

23 * * *

24 (3) For a motor vehicle or recreational product lessor or motor vehicle lessor
25 agent:

26 (a) To represent and sell as a new ~~motor~~ vehicle any ~~motor~~ vehicle which has
27 been used or intended to be used and operated for leasing and rental purposes.

28 (b) To resort to or use any false or misleading advertising in connection with
29 the business of leasing or renting ~~motor~~ vehicles.

1 (c) To lease, rent, sell, or offer to sell a ~~motor~~ vehicle from a location not
2 licensed for such activity.

3 (d) To rent or lease any ~~motor~~ vehicle which has been located within ~~the~~ this
4 state ~~of Louisiana~~ for a period of thirty days or more, unless such ~~motor~~ vehicle has
5 been issued a Louisiana license plate by, and all license fees and taxes have been
6 paid to, ~~the~~ this state ~~of Louisiana~~.

7 (e) To pay a fee to any person in return for the solicitation, procurement, or
8 production by that person of prospective lessees of ~~motor~~ vehicles, unless the person
9 receiving the fee is a lease facilitator who holds a valid license as provided by this
10 Chapter and a valid appointment from the motor vehicle lessor as provided by R.S.
11 32:1266(B)(1). The fees prohibited by this Subparagraph shall not include amounts
12 paid to a ~~motor vehicle~~ dealer as part of the consideration for the sale or assignment
13 of a lease or leased vehicle or other amounts paid to the ~~motor vehicle~~ dealer who
14 transfers the title on the vehicle or assigns the lease contract to the motor vehicle
15 lessor.

16 (f) To fail to fully and completely explain each charge listed on a retail
17 buyer's or lessee's order or vehicle invoice or leasing agreement prior to the lease of
18 a vehicle.

19 (g) When leasing a ~~motor~~ vehicle to a consumer, to assess any consumer
20 services fees, which shall include fees for treating the interior upholstery of the
21 vehicle, oil changes, roadside assistance, dealer inspections, or any other service
22 offered by the motor vehicle lessor, without allowing the consumer to refuse such
23 services and be exempt from payment for such services. The provisions of this
24 Subparagraph shall not apply to motor vehicle lessor-added options or accessories
25 which are permanently affixed to the vehicle.

26 (4) For a lease facilitator:

27 (a) To hold himself out to any person as a "leasing company", "leasing
28 agent", "lease facilitator", or similar title, directly or indirectly engaged in the
29 business of a lease facilitator, or otherwise engaged in the solicitation or procurement

1 of prospective lessees for ~~motor~~ vehicles not titled in the name of and registered to
2 the lease facilitator, without holding a valid lease facilitator license and being in
3 compliance with the terms of this Chapter.

4 (b) To sell or offer to sell a new ~~motor~~ vehicle.

5 * * *

6 (d) To sign a ~~motor~~ vehicle manufacturer's statement of origin to a vehicle,
7 accept an assignment of a manufacturer's statement of origin to a vehicle, or
8 otherwise assume any element of title to a new motor vehicle.

9 * * *

10 (5) For a broker:

11 (a) To hold himself out to any person as a "broker", "purchasing company",
12 "sales agent", or similar title, engaged in the business of broker, or otherwise
13 engaged in the solicitation or procurement of prospective purchasers for ~~motor~~
14 vehicles not titled in the name of and registered to the broker, unless the broker holds
15 a valid broker license and is in compliance with the terms of this Chapter.

16 (b) To sell, or offer to sell, or display a new ~~motor~~ vehicle.

17 * * *

18 (d) To sign a ~~motor~~ vehicle manufacturer's statement of origin to a vehicle,
19 accept an assignment of a manufacturer's statement of origin to a vehicle, or
20 otherwise assume any element of title to a new ~~motor~~ vehicle.

21 * * *

22 (7) For any employee of a ~~motor vehicle dealer, specialty vehicle dealer, or~~
23 ~~used motor vehicle dealer licensed by the commission,~~ licensee while acting in the
24 scope of his employment, to accept any payment, commission, fee, or compensation
25 of any kind from any person other than the employing ~~dealer~~ licensee, unless
26 ~~said~~such payment is fully disclosed to and approved by the employing ~~dealer~~
27 licensee.

28 §1261.1. Indemnification of franchised dealers

1 of shop supplies such as rags, fender covers, small amounts of fluid, or other items
2 which are not itemized, provided that ~~said~~such fee does not exceed five percent of
3 the total invoice for mechanical repairs or thirty-five dollars, whichever is less.

4 §1264. Damage disclosure

5 A. Whenever a new ~~motor~~ vehicle subject to regulation pursuant to this
6 Chapter is sold to any person, the seller shall notify the purchaser of any body
7 damage or mechanical damage which the vehicle has sustained that exceeds six
8 percent of the manufacturer's suggested retail price. Such notice shall be in writing
9 and a copy thereof shall be delivered to the purchaser prior to or simultaneous with
10 transfer of the vehicle title.

11 B. This Section shall apply to all instances of vehicular body or mechanical
12 damage to ~~new motor~~ vehicles and to all actions involving such damage,
13 notwithstanding the application of other codal, statutory, or regulatory provisions,
14 including but not limited to Civil Code Articles 2520 et seq.

15 * * *

16 §1268. Requirements upon termination; penalty; indemnity

17 A.(1) In the event the licensee ceases to engage in the business of being a
18 motor vehicle, recreational vehicle, or specialty vehicle dealer, or ceases to sell a
19 particular make of motor vehicle, recreational product, or specialty vehicle and after
20 notice to the manufacturer, converter, distributor, or representative by ~~registered or~~
21 certified mail or commercial delivery service with verification of receipt, within
22 thirty days of the receipt of the notice by the manufacturer, converter, distributor, or
23 representative, the manufacturer, converter, distributor, or representative shall
24 repurchase:

25 (a) All new motor vehicle, recreational product, and specialty vehicles of the
26 current and last prior model year delivered to the licensee and parts on hand that
27 have not been damaged or substantially altered to the prejudice of the manufacturer
28 while in the possession of the licensee. The motor vehicle, recreational product and
29 specialty vehicles and parts shall be repurchased at the cost to the licensee which

1 shall include without limitation freight and advertising costs, less all allowances paid
2 to the dealer, except that new automobiles shall be purchased on the schedule as
3 follows:

4 * * *

5 (d) The manufacturer, converter, distributor, or representative shall pay to
6 the dealer the costs of transporting, handling, packing, and loading of recreational
7 product, motor and speciality vehicles, or parts, signs, tools, and equipment subject
8 to repurchase.

9 (2) The manufacturer or converter shall make the required repurchase after
10 the dealer terminates his franchise and within thirty days of the submission to it, by
11 ~~registered~~ or certified mail, return receipt requested, or commercial delivery service
12 with verification of receipt, of a final inventory of motor vehicles and parts on hand.

13 B. Failure to make said repurchase without just cause shall subject the
14 manufacturer or converter to a penalty of one and one-half percent per month, or
15 fraction thereof, of the inventory value or returnable recreational product, speciality
16 and motor vehicles, and parts, signs, special tools, and automotive service
17 equipment, payable to the dealer, as long as said repurchase is not made.

18 C.(1) Upon the involuntary termination, nonrenewal, or cancellation of any
19 franchise by the manufacturer or converter, except for termination, nonrenewal, or
20 cancellation resulting from a felony conviction, notwithstanding the terms of any
21 franchise, whether entered into before or after the enactment of this Chapter or any
22 of its provisions, the new motor vehicle, recreational product, or specialty vehicle
23 dealer shall be allowed fair and reasonable compensation by the manufacturer or
24 converter as agreed by the parties, or lacking agreement, as determined by the
25 commission, for the dealership facilities if the facilities were required to be
26 purchased or constructed as a precondition to obtaining the franchise or to its
27 renewal; provided that if such facilities were leased and the lease were required as
28 a precondition to obtaining the franchise or to its renewal, then the manufacturer or

1 converter shall be liable for one year's payment of the rent or the remainder of the
2 term of the lease, whichever is less.

3 * * *

4 Section 2. R.S. 32:1268.1 is hereby repealed in its entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Arnold

HB No. 1222

Abstract: Provides relative to the distribution and sale of motor vehicles.

Proposed law provides for the definition of "vehicle" and "dealer".

Present law (R.S. 32:1254(A)(19)) provides for licensing of auto shows including promoters and nonresident exhibitors.

Proposed law retains present law but includes trade shows and exhibitions.

Present law (R.S. 32:1254(B)(1)) provides that if an application is denied, the license fee is returned to the applicant.

Proposed law instead makes the license fee nonrefundable.

Present law (R.S. 32:1254(B)(1)) provides for staggering the date of issuance of licenses based on geographical location of the licensee.

Proposed law retains present law with respect to staggering the dates of license issuance but beginning Jan. 1, 2011, the duration of the licenses will be staggered from one to two years based on geographical location of the licensee.

Present law (R.S. 32:1254(B)(2)) provides that the license of a recreational products dealer shall expire each year on December 31.

Proposed law instead provides that a license of a recreational products dealer expires on December 31, 2010.

Present law (R.S. 32:1254(D)(7)) requires a manufacturer or a convertor or secondary manufacturer to immediately file with the commission a copy of a franchise with a motor vehicle dealer, recreational products dealer, or speciality vehicle dealer.

Proposed law retains present law but adds a distributor and wholesaler as to the filing requirement.

Present law (R.S. 32:1254(C)(9), (E)(7), (F)(4), (J)(5), and (L)(5)) requires all motor vehicle or recreational products dealers, used motor vehicle facilities, motor vehicle lessors, speciality vehicle dealers to furnish evidence that they currently have garage liability insurance or liability protection provided by a liability trust fund covering their place of business. Provides that the required insurance policy or liability protection 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.

Present law (R.S. 32:1254(C)(9), (E)(7), and (F)(4)) provides that recreational products dealers selling all-terrain vehicles shall not be required to furnish and keep in force the minimum garage liability insurance coverage on all-terrain vehicles offered for sale unless the vehicles are utilized on the streets and roadways for demonstration or any other purpose.

Proposed law instead requires all motor vehicle or recreational products dealers, used motor vehicle facilities, motor vehicle lessors, speciality vehicle dealers to carry insurance that covers its place of business and that complies with the financial responsibility laws of this state as determined by the applicant and its insurance agent.

Present law (R.S. 32:1254(E)(9)(d)) provides that a motor vehicle or recreational products dealer shall not be required to obtain a license as a motor vehicle lessor, used motor vehicle dealer, or speciality vehicle dealer or converter, when modifying or selling those vehicles or products he is licensed to sell, provided it is conducted at his licensed place of business.

Proposed law retains present law but exempts recreational products dealers from this provision.

Present law (R.S. 32:1254(N)) provides that non-licensees shall be subject to the provisions of present law.

Proposed law retains present law but includes persons conducting or designing advertising or participating in special sales events on behalf of licensees.

Present law (R.S. 32:1255(A)) provides for a maximum on fees for each licensee.

Proposed law retains present law but specifies that these fees shall not exceed the maximum for each year covered by the license.

Present law (R.S. 32:1255(A)(4)) provides for a fee of \$500 for motor vehicle sales and shows at off-site locations.

Proposed law applies the fee to auto shows, trade shows, and expositions.

Proposed law (R.S. 32:1260(E)) authorizes the commission to order the repurchase of all vehicles, signs, special tools, and automotive equipment and pay the costs to the licensee for the cost of transporting, handling, packing, and loading of vehicles, parts, signs, tools, and equipment subject to repurchase requirements.

Proposed law (R.S. 32:1260(F)) provides that upon the failure of any person to comply with any order of the commission, or a rule or regulation adopted by the commission, the commission is authorized to file civil proceedings to enforce its order in the 24th JDC by rule to show cause. Further provides that the commission shall be entitled to recover from such party all costs of the proceeding, including court costs, discovery costs, and reasonable attorney fees incurred by the commission in enforcing its order.

Present law (R.S. 32:1261) references motor vehicle dealers or speciality vehicle dealers through various parts of R.S. 32:1261.

Proposed law changes present law to licensee to reference vehicle or dealer in their respective spots.

Present law (R.S. 32:1261.1) provides for indemnification for judgments arising out of alleged defective or negligent manufacture, assembly, or design of motor vehicles, parts, or accessories.

Proposed law retains present law but includes speciality vehicles and recreational products.

Present law (R.S. 32:1263) provides that suppliers of mechanical repairs and services for motor vehicles to provide each consumer with an itemized bill.

Proposed law retains present law but clarifies the bill is for any vehicle subject to regulation pursuant to present law.

Present law (R.S. 32:1268) provides for termination requirements for motor vehicle and speciality vehicle dealer regarding repurchase of parts and products.

Proposed law retains present law but includes recreational vehicle dealers and recreational products respectively.

Present law (R.S. 32:1268.1) provides for provisions of manufacturer mandatory repurchases when the dealers licensed by the commission cease to do business in the state.

Proposed law deletes present law.

(Amends R.S. 32:1252(27), 1254(A)(19), (B), (C)(intro. para.) and (9) and (10), (D)(intro. para.) and (7), (E)(7) and (9)(d), (F)(intro. para.) and (4), (J)(intro. para.) and (5), (L)(intro. para.) and (5), and (N), 1255(A), 1261(1)(a)(intro. para.), (i), (vii), and (viii), (b), (d), (e), (g)-(i), (k)(i)(intro. para.) and (ii), (n), and (p), (2)(intro. para.), (a)-(e), (f)(intro. para.), (ii), and (iv), (g), and (i), (3), (4)(a), (b), and (d), (5)(a), (b), and (d), and (7), 1261.1, 1262(A)(1) and (B)(3), 1263, 1264, and 1268(A)(1)(intro. para.), (a), and (d), and (2), (B), and (C)(1); Adds R.S. 32:1252(51) and (52) and 1260(E) and (F); Repeals R.S. 32:1268.1)