

Regular Session, 2010

ACT No. 258

HOUSE BILL NO. 591

BY REPRESENTATIVE ARNOLD

1 AN ACT

2 To enact R.S. 6:969.24.1 and 969.24.2, relative to the Motor Vehicle Sales Finance Act; to
3 prohibit any act that lessens or eliminates competition; to provide for exceptions; to
4 prohibit a lender in a motor vehicle retail purchase from requiring a dealer to sell any
5 insurance coverage, service, or product in order to secure preferential financing rates;
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 6:969.24.1 and 969.24.2 are hereby enacted to read as follows:

9 §969.24.1. Acts to lessen or eliminate competition prohibited

10 A. Any person or any affiliates thereof, subject to the provisions of this
11 Chapter, shall be prohibited from making statements, threats, promises, acts,
12 contracts, or offers of contracts that the intended or actual effect of which is to
13 coerce or attempt to coerce any seller to sell or offer to sell any extended service
14 contract, extended maintenance plan, or GAP product offered, sold, backed, or
15 sponsored by a particular entity, including but not limited to any manufacturer or
16 distributor of motor vehicles or affiliates thereof, as defined in R.S. 32:1252, by
17 setting limits for the amount financed in regard to the financing of premium or other
18 charges for any insurance coverage, product, or service financed on the retail
19 installment contract, when the discrimination in the amount financed limits is based,
20 in whole or in part, upon whether or not the product, insurance, or service is provided
21 by the person or affiliates thereof, subject to the provisions of this Chapter, or to the
22 extent any such statements, threats, promises, acts, contracts, or offers of contracts
23 shall lessen or eliminate competition to sell the aforementioned products.

1 B. Nothing contained in this Section shall prohibit a person or any affiliates
 2 thereof, subject to the provisions of this Chapter, from offering or providing
 3 incentive benefits or bonus programs to a seller or prospective seller who makes the
 4 voluntary decision to sell or offer to sell any extended service contract, extended
 5 maintenance plan, or GAP product offered, sold, backed, or sponsored by a particular
 6 entity, including but not limited to any manufacturer or distributor of motor vehicles
 7 or affiliates thereof, as defined in R.S. 32:1252, or to sell, assign, or transfer any
 8 retail installment sale or lease by him of motor vehicles manufactured or sold by the
 9 manufacturer or distributor to a specified finance company or leasing company.

10 §969.24.2. Mandatory sales prohibited

11 It shall be a violation of this Chapter for any person subject to the provisions
 12 of this Chapter to require a seller to sell any insurance coverage, product, or service,
 13 which is provided, administered, or sold by a person or any affiliates thereof, subject
 14 to the provisions of this Chapter, in order to secure preferential financing or
 15 preferential limits on the amounts financed rates for the dealership or its customers.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____