

**sb504.pdf**

Uploaded by: Gregory Merkel

Position: FAV

Chair Korman, Vice Chair Royce, and members of the committee. I am Greg Merkel, President of Leo's Vacation Center and a member of the MD RV Dealers Association. Thank you for the opportunity to appear before you today, in support of SB504.

We are an independent dealership and represent many different manufacturers. Senate Bill 504 would put us on a more level playing field with the manufacturers. It will make the dealership stronger to support the customers with future sales, service, parts and warranty.

We agree that this Bill should be passed, as all MD RV Dealers in the association do was well. This Bill is fair for the dealers, manufacturers and consumers alike. We urge the committee to vote yes for Senate Bill 504.

**SB 504 FAV.pdf**

Uploaded by: Michael Ochs

Position: FAV



## **Testimony of the RV Industry Association before the Senate Committee on Judicial Proceedings on SB 504**

Chair Smith, Vice-Chair Waldstreicher, and members of the Committee, I am Michael Ochs, Director of State Government Affairs for the RV Industry Association. I thank you for the opportunity to appear before you today on its behalf in support of SB 504, the bipartisan and bicameral legislation to govern the relationship between manufacturers and dealers of recreation vehicles (“RVs”).

The RV Industry Association is the national trade association which represents RV manufacturers and their component parts suppliers, who together build more than 98 percent of all RVs produced in the U.S. The Association is the unifying force for promoting safety and professionalism within the RV industry; and works with federal and state policymakers, as well as recognized national standards-setting bodies, to promote and protect the RV industry. Our members build RVs, such as motorhomes, truck campers, travel trailers, fifth-wheel trailers, folding camping trailers, and park model RVs.

According to an economic impact study done in 2022 by John Dunham and Associates, the total economic output of the RV industry in Maryland was \$937 million.

- Manufacturers and suppliers = \$154 million
- Sales and service = \$240 million
- Campgrounds and travel = \$543 million

There were approximately 150 RV-industry related businesses in the state in that time frame that paid nearly \$327 million in wages and were responsible for more than 5,000 jobs in Maryland. Total taxes paid by the RV industry were \$102 million.

The RV industry operates on a one-dealer-to-many manufacturers model with no true franchise relationship between parties in a manufacturer-dealer agreement, while the auto industry is one dealer to one manufacturer and is based on a true franchise model. However, we have a patchwork of laws across the country that create confusion on which part of what provision applies to which industry, and under what circumstances.

To address this issue, the RV Industry Association is asking this Committee to support SB 504, to place the manufacturer-dealer relationship for RVs in a separate chapter of law. This legislation is the product of negotiation between the RV Industry Association and RV dealers in Maryland, both of whom strongly support its approval. This legislation was approved unanimously by this Committee and the full Senate last year as House Bill 1173; unfortunately, the General Assembly adjourned *sine die* before the House could concur with the amended bill.

Passage of this legislation will strengthen the viability of the RV industry in Maryland to the state’s benefit and that of consumers, manufacturers, and dealers alike. Consumers will benefit from the better relationship between RV manufacturers and dealers since the legislation will improve cooperation between the two on warranty matters, pre-delivery inspection, and other

issues. Consumers will also benefit from a more stable environment, knowing that the dealer who sold them an RV will continue carrying those brands.

This bill would place the RV industry in a separate chapter from the auto industry, finally allowing these two industries to operate separately under law as they already do in reality.

SB 504 is designed to be fair, reciprocal, and reasonable to all stakeholders – and in the RV industry, that includes not only the dealer and the manufacturer, but also suppliers to manufacturers who provide a written warranty on their products directly to those who purchase and enjoy RVs. These suppliers must also treat dealers fairly under HB 605 in warranty matters – a major difference from the automobile industry.

#### SB 504- An RV Specific manufacturer-dealer agreement law:

- Accommodates the RV industry's unique "one-dealer-with-many-manufacturers" business model that is not based on a franchise structure; and
- Works best for the RV industry and the state – the RV industry will not be out of compliance with any inapplicable automobile franchise provisions the law might contain.

#### Key Points for State Legislators

- An RV Specific Model law, on which HB 605 is based, has been enacted in 18 States with no negative repercussions, including the neighboring states of Pennsylvania, Delaware and Virginia. Similar legislation was also introduced earlier this year, in Washington and Ohio, and last year in New York and Wisconsin.
- RV specific laws slightly different from the Model Law are enacted in another five States.
- Both RV manufacturers and RV dealers in the state are asking for this legislation and have agreed on the language to be included.
- The bill includes industry-approved definitions for all RV types for clarity.

#### Key Provisions for RV Dealers

- Warranty obligations would include original equipment manufacturers (OEMs) and suppliers of component parts and assemblies.
- Dealer-initiated termination of a manufacturer/dealer agreement – a common RV industry practice not often seen in the auto industry – is authorized by the bill.
- Multi-state dealers, like manufacturers, will benefit from consistent manufacturer-dealer laws across the states.

#### Key Provisions for RV Manufacturers and Suppliers

- Consistent laws around the country simplify business operations.
- A fair, reciprocal, reasonable law means dealer and manufacturer are treated equitably.
- Placing the RV industry in a separate chapter will avoid future conflict with auto franchise laws.

We urge all members of this Committee to vote "Yes" on this important legislation and advance SB 504 to the full Senate.

# **Sponsor Testimony**

Uploaded by: Mike McKay

Position: FAV

**MIKE MCKAY**  
*Legislative District 1*  
Garrett, Allegany, and Washington Counties



James Senate Office Building  
11 Bladen Street, Room 416  
Annapolis, Maryland 21401  
410-841-3565 • 301-858-3565  
800-492-7122 Ext. 3565  
Mike.McKay@senate.state.md.us

Judicial Proceedings Committee  
Executive Nominations Committee

**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

Senate Bill 504 – Motor Vehicles – Recreational Vehicle Dealer Agreements

February 18, 2024

Dear Chairman Smith, Vice Chairman Waldstreicher, and Members of the Committee,

I am writing to strongly endorse Senate Bill 504 – Motor Vehicles – Recreational Vehicle Dealer Agreements. Last year, similar legislation was passed by both houses of the General Assembly, however an amendment in the Senate did not get reviewed in time before the end of Session. What this bill will do is to establish a new regulatory system that will apply to RV manufacturers, distributors, and dealers. The regulation will also establish new procedures, timelines, and requirements that govern written dealer agreements and warranties on RVs and other manufacturer-dealer relationship matters. Similar bills have passed in 18 states including our neighbors in Pennsylvania, Delaware, and Virginia.

Thank you very much and I ask for a favorable report.

Sincerely,

Senator Mike McKay

Representing the Appalachia Region of Maryland

Garrett, Allegany, and Washington Counties

# **Steve Shapiro testimony.pdf**

Uploaded by: Tiffani Mercado

Position: FAV



Honorable William Smith, Jr.  
Chair, Senate Judicial Proceedings Committee  
Maryland Senate  
2 East  
Miller Senate Office Building  
Annapolis, MD 21401

Dear Chairman Smith:

Maryland RV dealers are in full support of SB 504, Senator McKay's bill to require manufacturer-dealer agreements to govern the relationship between RV manufacturers and dealers. This important legislation would place the RV industry in a separate chapter of law from the automobile industry and strengthen the viability of the RV industry in the state, to the benefit of consumers, dealers and manufacturers alike.

This legislation will accommodate the RV industry's unique "one-dealer-with-many-manufacturers" business model that is not based on a franchise structure. It was developed through a negotiated and collaborative process between the RV dealers in this state and the manufacturers, based on a model bill agreed upon by the national associations representing both groups.

Under this bill, warranty obligations would include original equipment manufacturers (OEMs) and suppliers of component parts and assemblies used in the building of RVs, giving better protections to dealers and consumers. The household appliances and furnishings inside an RV are warranted separately from the RV itself, and directly to the consumer, just like buying a house. The warranty language in SB 504 includes these warrantors under the bill's warranty obligations to the dealer.

SB 504 will provide better cooperation between manufacturers and dealers on pre-delivery inspections. These inspections will locate potential problems with new RVs faster and avoid situations where RVs are unknowingly sold to consumers prior to these problems being addressed. The bill also maintains existing state manufacturer and dealer licensing, bonding and consumer protection laws.

We ask your support for this crucial legislation.

Sincerely,



Steve Shapiro  
Chesaco RV  
Frederick, MD

Honorable Marc Corman  
Chair, House Environment and Transportation Committee  
Maryland House of Delegates  
Room 251  
House Office Building  
Annapolis, MD 21401

Dear Chairman Corman:

Maryland RV dealers are in full support of HB 605, Delegate Stein's bill to require manufacturer-dealer agreements to govern the relationship between RV manufacturers and dealers. This important legislation would place the RV industry in a separate chapter of law from the automobile industry and strengthen the viability of the RV industry in the state, to the benefit of consumers, dealers and manufacturers alike.


This legislation will accommodate the RV industry's unique "one-dealer-with-many-manufacturers" business model that is not based on a franchise structure. It was developed through a negotiated and collaborative process between the RV dealers in this state and the manufacturers, based on a model bill agreed upon by the national associations representing both groups.

Under this bill, warranty obligations would include original equipment manufacturers (OEMs) and suppliers of component parts and assemblies used in the building of RVs, giving better protections to dealers and consumers. The household appliances and furnishings inside an RV are warranted separately from the RV itself, and directly to the consumer, just like buying a house. The warranty language in HB 605 includes these warrantors under the bill's warranty obligations to the dealer.

HB 605 will provide better cooperation between manufacturers and dealers on pre-delivery inspections. These inspections will locate potential problems with new RVs faster and avoid situations where RVs are unknowingly sold to consumers prior to these problems being addressed. The bill also maintains existing state manufacturer and dealer licensing, bonding and consumer protection laws.

We ask your support for this crucial legislation.

Sincerely,



Steve Shapiro  
Chesaco RV  
Frederick, MD