

OFFICE OF THE GOVERNOR

Wes Moore

May 23, 2024

The Honorable Bill Ferguson President of the Senate of Maryland H–107 State House Annapolis, MD 21401

Dear President Ferguson:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 60 – *Motor Home and Recreational Trailer Shows* – *Out–of–State Dealers*.

Senate Bill 60 sought to temporarily authorize an out—of—state dealer of motor homes or recreational vehicles ("RVs") licensed by another state to participate in Maryland RV shows. While Senate Bill 60 sought to allow RVs to be shown by out—of—state dealers, those dealers would not be permitted to execute a buyer's order or accept a deposit at the show. However, it is unclear that the Maryland Motor Vehicle Administration ("MVA") would be able to enforce that prohibition and it is unlikely that an out—of—state vendor would participate in an RV show without the intention to make a sale. As such, it is to be expected that more Maryland consumers will purchase RVs from out—of—state dealers as a result of this legislation, and purchase less from Maryland dealers.

Maryland's recreational vehicle ("RV") industry is made up of small businesses who employ a total of more than 300 employees statewide. As with many of the small businesses that propel our economy and further opportunities for families in the state, a consistent and reliable marketplace is crucial. Senate Bill 60, as passed, creates a significant and temporary shift in the marketplace for RV dealers with unknown impacts.

Had this bill been enacted, RV dealers from outside of Maryland would not need to become licensed in Maryland to participate in RV shows as long as they have obtained a license in another state. In this way, the bill sought to create license reciprocity for out—of—state vendors. License reciprocity is a powerful tool to expand commerce in Maryland and better align regional goals. However, under the bill, Maryland RV dealers would still need to become licensed in other states in order to participate in RV shows outside of Maryland, meaning that the reciprocity in this case would flow in only a single direction.

This lack of reciprocity is exacerbated by the regulations that Maryland RV dealers are subject to in neighboring states. Both the Commonwealth of Virginia and the State of Delaware require a physical presence in their states for a dealer to participate in their RV shows, except for a few narrow exceptions. The Commonwealth of Pennsylvania prohibits out–of–state vendors from participating in their RV shows unless their state of origin permits Pennsylvanian RV dealers to participate in RV shows under conditions substantially equivalent to those that out–of–state dealers are subject to in Pennsylvania. Given that Senate Bill 60 prohibits out–of–state dealers from selling in Maryland, it is not clear that the Pennsylvania market would be opened to Maryland vendors.

While well—intentioned to boost the economy in Ocean City during the Fall season, the impact of this bill would have been to give out—of—state vendors access to Maryland's market without affording that same opportunity to Maryland dealers in other states. Given that demand is limited, the anticipated effect of this bill would be to increase business for out—of—state dealers at the expense of in—state dealers. As the Governor of Maryland, my focus is on ensuring that Maryland businesses and employees can thrive in an equitable marketplace. After extensive review, I have concluded that this bill stands to create inequities for Maryland RV dealers that would result in losses.

In contrast to Senate Bill 60, the State often enters into license reciprocity agreements with other states. For example, during the 2024 Legislative Session the General Assembly passed House Bill 383 which creates an interstate cosmetology licensure compact. Through the compact, member states seek to establish a regulatory framework that provides for a new multistate licensing program that provides value and mobility to licensed cosmetologists in those states. This is an equitable and fair way to expand business for both Maryland-based and out-of-state cosmetologists. This is a balanced approach that I hope will serve as a goal for any future legislation impacting RV dealers. Without such a balanced approach, this policy shift would hurt Maryland dealers and the employees that drive them forward.

For these reasons, I have vetoed Senate Bill 60.

Sincerely,

Wes Moore Governor