

HB_1173 Stein_ Sponsor Testimony

Uploaded by: Del. Dana Stein

Position: FAV

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**Delegate Dana Stein's Testimony in Support of
HB 1173 – Motor Vehicles – Recreational Vehicle Dealer Agreements**

Currently, recreational vehicle (RV) dealer agreements are governed by the same state law that governs automobile dealers and manufacturers. However, the RV industry is quite unique; for instance, whereas an automobile dealership only sells vehicles from one single manufacturer (a Honda or Ford dealership sells *just* Hondas or Fords), a single RV dealership sells RVs from multiple manufacturers.

There is a nationally negotiated RV-specific model law that the national RV manufacturers' and the national dealers' associations reached agreement on last year and this bill would establish that model law in Maryland.

The model agreement upon which the bill is structured is the product of a collaborative, negotiated process in which both the manufacturers and the dealers participated. You have before you today testimony from both manufacturers and the dealers indicating their support of the bill.

By being more closely tailored to the RV industry, the bill will help to ensure that industry is not out of compliance with inapplicable automobile franchise law. It's also important to note the licensing requirements and fees administered by State regulators do not change.

I do have a set of sponsor amendments to the bill to correct a drafting error that inadvertently did away with some licensing requirements – you'll see that the amendments ensure the same licensing requirements remain in place and make no change to the fees.

I also have a second set of sponsor amendments that are technical and would correct a few places in the First Reader version of the bill where the drafter omitted some key elements of the agreed-upon model law.

Similar RV-specific laws have been enacted in eighteen other states, including Pennsylvania, Delaware, and Virginia.

This is a reciprocal, reasonable law intended to treat manufacturers and dealers fairly and to place the RV industry in a separate chapter to avoid future conflict with auto franchise laws.

For these reasons I hope you vote favorably on HB 1173.

RV Industry Association Testimony MD HB 1173 2023.

Uploaded by: Nicholas Rudowich

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RE: Please Support HB 1173 (Recreational Dealer Agreements)

Chair Barve, Vice Chair Stein and Members of the House Environment and Transportation Committee, my name is Nick Rudowich. I am a Senior Manager, Government Affairs for the RV Industry Association, and I appreciate this opportunity to comment on HB 1173.

The RV Industry Association is the national trade association representing the diverse manufacturing businesses which together manufacture over 98 percent of all RVs produced in the United States. 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.

I am writing to you today to ask this committee ***to support*** HB 1173. If passed, HB 1173 would enact an industry negotiated and agreed upon model law which would govern the relationship between RV Dealers and RV Manufacturers. RV-specific laws allow the RV industry to pursue its business model without interfering in the auto industry.

In many states, RVs are covered by automobile franchise laws even though auto dealers and RV dealers operate under very different business models. Unlike the automobile industry, there are no true franchises in the RV industry. The unique character of the RV sales and distribution model is based on one-dealer-to-many-manufacturers, versus the auto industry's one-dealer-to-one-manufacturer model. Furthermore, the RV industry is not vertically integrated among manufacturers, parts, and suppliers like the auto industry, which creates a substantive difference in warranty obligations between the two industries.

A RV-specific law, such as the model law negotiated and agreed to by the RV Industry Association and the national RV Dealers Association, which 1173 is based on, provides consistency for manufacturers to develop and manage dealer agreements across the states. These laws provide reciprocal advantages for RV dealers and benefit consumers. Enactment of an RV-specific law does not disrupt state business licensing laws and state agency oversight of RV dealer/ manufacturer interactions.

Once again, I ask this committee ***to support*** HB 1173 throughout the legislative process, as it enacts a RV-specific law which will allow the RV industry to pursue its business model without interfering in the auto industry. This will benefit consumers, RV Dealers, and RV Manufacturers.

Sincerely,

Nicholas Rudowich
Senior Manager, Government Affairs
RV Industry Association