

MD RV Dealers, RVIA Joint Letter HB 1173 Senate Ju

Uploaded by: Greg Merkle

Position: FAV

Senate Judicial Proceedings Committee
March 29, 2023

RE: Please Support HB 1173 (Recreational Dealer Agreements)

Chair Smith, Vice Chair Waldstreicher and Members of the Senate Judicial Proceedings Committee

We appreciate this opportunity to comment on HB 1173.

We are 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.

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

In many states, RVs are covered by automobile franchise laws even though auto dealers and RV dealers operate under very different business models. In some states, like Maryland, not all products on RV dealer lots are captured by the automobile franchise law. HB 1173 would ensure that all products RV dealers carry are properly covered under an industry negotiated law. This would put Maryland RV dealers on a level playing field with out-of-state dealers in Pennsylvania and Delaware who have similar laws to what HB 1173 would enact.

Further, 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. HB 1173 will capture all parties who are involved in warranty work.

Once again, we ask this committee **to support HB 1173** throughout the legislative process, as it enacts an 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,



Greg Merkle
Leo's RV

Nicholas Rudowich

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RV Industry Association

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Uploaded by: Nick Rudowich

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RV Industry Association

Stein Testimony HB1173 Senate.pdf

Uploaded by: Dana Stein

Position: FWA

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

Agreements between RV dealers and manufacturers are governed by the same state law that governs auto dealers and manufacturers. But the RV industry is different from the car industry. RV retailers are not franchises of a specific manufacturer. While an auto dealership only sells vehicles from one manufacturer, an RV dealership sells RVs from multiple manufacturers.

This bill establishes a new regulatory framework that would apply to RV manufacturers, distributors, and dealers. It would also establish new procedures, timelines, and requirements that govern written dealer agreements, warranties, and other matters. These changes would provide consistency for manufacturers to develop and manage dealer agreements in Maryland.

This bill is based on a nationally negotiated, RV-specific, model law that the national RV manufacturers' and the national RV dealers' associations agreed upon last year. Because it is more closely tailored to how the RV industry operates, the bill will help ensure that this industry is not out of compliance with automobile franchise laws that don't even apply to the RV industry. It's also important to note the licensing requirements and fees administered by State regulators do not change.

I have a set of technical amendments to correct drafting nuances that inadvertently removed a few key provisions of the negotiated model law that I would ask you to include, given that they weren't identified prior to passage in the House.

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.