

HB605_Shanholtzer_FAV

Uploaded by: Bernie Marczyk

Position: FAV

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.

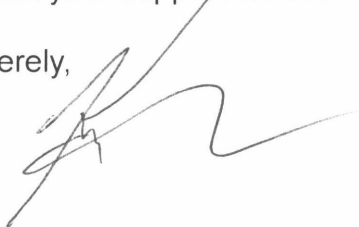
This legislation will accommodate the RV industry's unique "one-dealer-with-many-manufacturers" business model that is not based on a franchise structure. It was developed through a negotiated and collaborative process between the RV dealers in this state and the manufacturers, based on a model bill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

A handwritten signature in black ink, appearing to read "Kelly Shanholtzer", written over a light blue horizontal line.

Kelly Shanholtzer
Beckley's RVs
Thurmont, MD

HB605_Shapiro_FAV

Uploaded by: Bernie Marczyk

Position: FAV

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Chair, House Environment and Transportation Committee
Maryland House of Delegates
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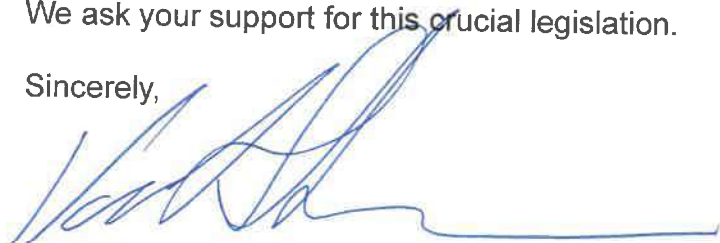
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Sincerely,



Steve Shapiro
Chesaco RV
Frederick, MD

Stein Testimony FAV HB 605.pdf

Uploaded by: Dana Stein

Position: FAV

DANA M. STEIN
Legislative District 11B
Baltimore County

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SPEAKER PRO TEM
—

Environment and Transportation
Committee

Subcommittees

Chair, Environment

Natural Resources,
Agriculture and Open Space



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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

**Delegate Dana Stein's Testimony in Support of
HB 605 – Motor Vehicles – Recreational Vehicle Dealer Agreements**

Chairman Korman, Vice Chair Boyce and Members of the Environment and Transportation Committee:

Very similar legislation was passed by both the House and the Senate last year, but we were unable to review a Senate amendment in time before Sine Die. I will briefly review what this bill does.

Recreational vehicle (RV) dealer and RV manufacturer agreements are currently governed by the same state law that governs automobile dealers and manufacturers. However, the RV industry is very different: RV retailers are not franchises of a specific manufacturer. For example, an automobile dealership only sells vehicles from one single manufacturer (a Honda or Ford dealership sells *just* Hondas or Fords), whereas a single 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 on recreational vehicles, and other manufacturer-dealer relationship 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 three years ago. Because it is more closely tailored to how the RV industry operates, this legislation will help to 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.

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 605.

hb605.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 HB605.

We are an independent dealership and represent many different manufacturers. House Bill 605 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 House Bill 605.

MD HB 605 testimony - oral (002).pdf

Uploaded by: Sophia de la Torre

Position: FAV

Chair Korman, Vice-Chair Royce, and members of the Committee, I am Sophia de la Torre, Senior Manager of Government Affairs for the RV Industry Association. I thank you for the opportunity to appear before you today on its behalf in support of HB 605, the bipartisan and bicameral legislation to govern the relationship between manufacturers and dealers of recreational vehicles. This legislation was approved unanimously by this Committee last year.

The RV Industry Association is the national trade association which represents recreation vehicle (RV) manufacturers and their

component parts suppliers, who together build more than 98 percent of all RVs produced in the U.S.

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 fix this problem, and to address other structural problems in the law, the RV Industry Association is asking this Committee to support HB 605 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. 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 this 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 do in reality.

HB 605 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.

We urge all members of this Committee to vote “Yes” on this important legislation and advance HB1996 to the full House.

MD RVSF House Testimony - final.pdf

Uploaded by: Sophia de la Torre

Position: FAV



Testimony of the RV Industry Association before the House Committee on Environment and Transportation on HB 605

Chair Korman, Vice-Chair Boyce, and members of the Committee, I am Sophia de la Torre, the Senior Manager of Government Affairs for the RV Industry Association. I thank you for the opportunity to appear before you today on its behalf in support of HB 605, 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 fix this problem, and to address other structural problems in the law, the RV Industry Association is asking this Committee to support HB 605, 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. 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. This legislation was approved nearly unanimously on a 124-10 vote by the House last year as House Bill 1173 and passed by the Senate with a minor amendment; unfortunately, the General Assembly adjourned *sine die* before the House could concur with the amended bill.

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.

HB 605 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.

HB 605 - 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 HB 605 to the full House.