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Executive Nominations Committee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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The Senate Judicial Proceedings Committee

SB 60 – Worcester County – Motor Home and Recreational Trailer Shows – Out-of-State Dealers

Statement of Support by Bill Sponsor Senator Mary Beth Carozza

Thank you, Chair Smith, Vice Chair Waldstreicher, and members of the distinguished Senate Judicial Proceedings Committee for allowing me to present Senate Bill 60 – Worcester County – Motor Home and Recreational Trailer Shows – Out-of-State Dealers.

This local bill would allow out-of-state recreational vehicle dealers to participate in vehicle shows for motor homes or recreational trailers that take place within Worcester County. The bill would not allow deposits or point of sales from out-of-state dealers but does allow them to display their products at these Maryland shows. Our intent is to increase economic tourism to Maryland's Coast through the growing consumer demand for recreational vehicles.

RVs cater to the recreational consumer with disposable income and are often considered luxury purchases, similar to how boats are sold to consumers. In Maryland, out-of-state boat dealers already have the opportunity to not only display but take deposits and complete points of sale at boat shows within the State. These out-of-state dealers pay Maryland licenses and taxes on the registration of the boat for the Maryland resident, so tax dollars are not lost.

This bill is fully intended to prioritize the Maryland consumer. The closest in-state dealer is 90 miles away from Ocean City and most RV websites max search ranges are 100 miles. The eight other in-state dealers would not populate in the search results as they are more than 100 miles away and therefore, not "available" to many Eastern Shore consumers. By comparison, there are 7 RV Dealerships from Delaware and Virginia's Eastern Shore that are within 70 miles of Ocean City, and they also sell brands that Maryland RV dealers do not.

By allowing out-of-state RV dealers to participate in the OC RV Show, this would increase sales to in-state dealers. Maryland has one of the strongest consumer protection reciprocity laws in place, making it a valuable selling point to buy an RV from a Maryland Dealership. In addition to these strong reciprocity laws, all RV Dealerships must follow strict contracts from their manufacturers, which are the same across state lines. These contracts are extremely stringent to ensure their brand reputation and consumer satisfaction under the customer satisfaction index. Should this not be met, the manufacturer would revoke their contracts with that local dealership.

There was a previous issue that I want to clarify. During last year's hearing on SB 642, this Committee was told that Maryland law only allows RV dealers to participate in two annual vehicle shows per year, and allowing a third RV show to take place would negatively impact the existing marketplace. However, just as we exempted motorcycles from the 2 annual show cap in 2017, RV's are also already exempted under the law as seen in Transportation Article 15-304(c)(3)(i). I have submitted the Statute for reference along with my testimony.

Ocean City is already a tourist destination and this legislation is fully intended to increase sale opportunities for the nine recreational vehicle dealerships within Maryland. The success of the inaugural OC RV Show, which was held October 12 through October 15 and attracted over 7,500 visitors from across Maryland, Delaware, Virginia, New Jersey, Pennsylvania, and Ohio, underscores the value this event brings to Maryland's Coast and the entire State of Maryland.

By allowing more available, diverse options with out-of-state dealers being able to display their products at vehicle shows for motor homes or recreational trailers, while at the same time continuing to allow Maryland RV dealers to display, take deposits, and complete points of sale, these RV Shows in Worcester County would increase attendance and sales for Maryland RV dealers.

I truly appreciate your kind attention and consideration, and I respectfully ask for a swift and favorable report on SB 60.