

SENATE BILL 350

R4
SB 930/23 – JPR

4lr1069

By: **Senator McKay**

Introduced and read first time: January 15, 2024

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles – Recreational Vehicle Dealer Agreements**

3 FOR the purpose of requiring recreational vehicle dealers to hold a dealer agreement with
4 a recreational vehicle manufacturer to sell the manufacturer’s recreational vehicles
5 in the State; altering the required terms and conditions of a recreational dealer
6 agreement, including terms and conditions related to termination and nonrenewal
7 of an agreement, transfer of dealer ownership, warranty obligations, dealer
8 inspection and rejection of recreational vehicles, and prohibited acts, dispute
9 resolution, and penalties; and generally relating to recreational vehicle dealer
10 agreements.

11 BY adding to

12 Article – Transportation

13 Section 15–201.1 and 15–301.1; and 15–1001 through 15–1009 to be under the new
14 subtitle “Subtitle 10. Recreational Vehicle Dealer Agreements”

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2023 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Transportation**

20 **15–201.1.**

21 **THIS SUBTITLE DOES NOT APPLY TO MANUFACTURERS OF RECREATIONAL**
22 **VEHICLES.**

23 **15–301.1.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **THIS SUBTITLE DOES NOT APPLY TO DEALERS OF RECREATIONAL VEHICLES.**

2 **SUBTITLE 10. RECREATIONAL VEHICLE DEALER AGREEMENTS.**

3 **15-1001.**

4 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
5 **INDICATED.**

6 **(B) “AREA OF SALES” MEANS THE GEOGRAPHICAL AREA AGREED TO BY THE**
7 **DEALER AND THE MANUFACTURER IN AN AGREEMENT THAT GRANTS THE DEALER**
8 **THE EXCLUSIVE RIGHT TO DISPLAY OR SELL THE MANUFACTURER’S NEW**
9 **RECREATIONAL VEHICLES OF A PARTICULAR LINE-MAKE.**

10 **(C) “DEALER” MEANS ANY PERSON, FIRM, CORPORATION, OR BUSINESS**
11 **ENTITY LICENSED OR REQUIRED TO BE LICENSED TO SELL RECREATIONAL**
12 **VEHICLES.**

13 **(D) “DEALER AGREEMENT” MEANS A WRITTEN AGREEMENT OR CONTRACT**
14 **ENTERED INTO BETWEEN A DEALER AND A MANUFACTURER OR DISTRIBUTOR:**

15 **(1) THAT STATES THE RIGHTS AND RESPONSIBILITIES OF THE**
16 **PARTIES; AND**

17 **(2) UNDER WHICH THE DEALER MAY SELL NEW RECREATIONAL**
18 **VEHICLES.**

19 **(E) “DISTRIBUTOR” MEANS ANY PERSON THAT PURCHASES NEW**
20 **RECREATIONAL VEHICLES FOR RESALE TO DEALERS.**

21 **(F) “FACTORY CAMPAIGN” MEANS AN EFFORT ON THE PART OF A**
22 **WARRANTOR TO CONTACT RECREATIONAL VEHICLE OWNERS OR DEALERS TO**
23 **ADDRESS A PART OR EQUIPMENT ISSUE.**

24 **(G) “FAMILY MEMBER” MEANS A SPOUSE, CHILD, GRANDCHILD, PARENT,**
25 **SIBLING, NIECE, OR NEPHEW, OR A SPOUSE OF A CHILD, GRANDCHILD, PARENT,**
26 **SIBLING, NIECE, OR NEPHEW.**

27 **(H) “LINE-MAKE” MEANS A SPECIFIC SERIES OF RECREATIONAL VEHICLES**
28 **THAT:**

1 **(1) IS TARGETED TO A PARTICULAR MARKET SEGMENT, AS**
2 **DETERMINED BY ITS DECOR, FEATURES, EQUIPMENT, SIZE, WEIGHT, AND PRICE**
3 **RANGE;**

4 **(2) HAS LENGTHS AND INTERIOR FLOOR PLANS THAT DISTINGUISH**
5 **THE RECREATIONAL VEHICLES FROM OTHER SIMILAR MODELS; AND**

6 **(3) BELONGS TO A SINGLE DISTINCT CLASSIFICATION OF**
7 **RECREATIONAL VEHICLE PRODUCT TYPE THAT HAS A SUBSTANTIAL DEGREE OF**
8 **COMMONALITY IN THE CONSTRUCTION, CHASSIS, FRAME, AND BODY STYLE.**

9 **(I) “MANUFACTURER” MEANS ANY PERSON ENGAGED IN THE**
10 **MANUFACTURING OF RECREATIONAL VEHICLES.**

11 **(J) “MODEL” MEANS A SERIES OF RECREATIONAL VEHICLE PRODUCTS**
12 **IDENTIFIED BY A COMMON SERIES TRADE NAME OR TRADEMARK.**

13 **(K) “PROPRIETARY PART” MEANS ANY PART MANUFACTURED BY, FOR, OR**
14 **SOLD EXCLUSIVELY BY THE MANUFACTURER.**

15 **(L) (1) “RECREATIONAL VEHICLE” MEANS A VEHICLE THAT IS:**

16 **(I) EITHER SELF-PROPELLED OR TOWED BY A TOW VEHICLE;**
17 **AND**

18 **(II) DESIGNED TO PROVIDE TEMPORARY LIVING QUARTERS**
19 **FOR RECREATIONAL, CAMPING, OR TRAVEL USE.**

20 **(2) “RECREATIONAL VEHICLE” INCLUDES:**

21 **(I) A MOTOR HOME;**

22 **(II) A TRAVEL TRAILER;**

23 **(III) A FIFTH-WHEEL TRAVEL TRAILER;**

24 **(IV) A TRUCK CAMPER; AND**

25 **(V) A FOLDING CAMPING TRAILER.**

26 **(M) “TRANSIENT CUSTOMER” MEANS A CUSTOMER WHO IS TEMPORARILY**
27 **TRAVELING THROUGH A DEALER’S AREA OF SALES.**

1 (N) (1) "WARRANTOR" MEANS ANY PERSON THAT GIVES A WARRANTY IN
2 CONNECTION WITH NEW RECREATIONAL VEHICLE PARTS, ACCESSORIES, OR
3 COMPONENTS.

4 (2) "WARRANTOR" DOES NOT INCLUDE SERVICE CONTRACTS,
5 INSURANCE, OR EXTENDED WARRANTIES SOLD FOR SEPARATE CONSIDERATION BY
6 A DEALER OR PERSON NOT AFFILIATED WITH A MANUFACTURER OR DISTRIBUTOR.

7 15-1002.

8 (A) A MANUFACTURER OR DISTRIBUTOR MAY NOT SELL A RECREATIONAL
9 VEHICLE IN THE STATE TO OR THROUGH A DEALER WITHOUT HAVING FIRST
10 ENTERED INTO A WRITTEN DEALER AGREEMENT THAT HAS BEEN SIGNED BY BOTH
11 PARTIES.

12 (B) (1) EXCEPT AS SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION,
13 THE MANUFACTURER SHALL DESIGNATE THE AREA OF SALES EXCLUSIVELY
14 ASSIGNED TO A DEALER IN THE DEALER AGREEMENT AND MAY NOT MAKE CHANGES
15 TO THE TERMS SPECIFIED IN THE AGREEMENT.

16 (2) THE TERMS SPECIFIED IN THE DEALER AGREEMENT MAY BE
17 ALTERED WITH WRITTEN MUTUAL CONSENT OF BOTH PARTIES.

18 (C) A DEALER MAY NOT SELL A NEW RECREATIONAL VEHICLE:

19 (1) IN THE STATE WITHOUT HAVING ENTERED INTO A DEALER
20 AGREEMENT; AND

21 (2) OUTSIDE THE AREA OF SALES DESIGNATED IN THE DEALER
22 AGREEMENT.

23 (D) (1) A MANUFACTURER OR DISTRIBUTOR SHALL DISTRIBUTE
24 RECREATIONAL VEHICLES TO ITS DEALERS IN A FAIR AND EQUITABLE MANNER.

25 (2) ON REQUEST, A MANUFACTURER OR DISTRIBUTOR SHALL
26 PROVIDE INFORMATION ON ITS MANNER OF DISTRIBUTION TO DEALERS.

27 (E) A MANUFACTURER OR DISTRIBUTOR SHALL PROVIDE ADEQUATE
28 REPAIR INSTRUCTIONS TO ITS LICENSED DEALERS TO FACILITATE THE DEALERS
29 PERFORMING PROPER SERVICE AND REPAIRS ON RECREATIONAL VEHICLES.

30 15-1003.

1 **(A) (1) A MANUFACTURER OR DISTRIBUTOR MAY TERMINATE, CANCEL,**
2 **OR FAIL TO RENEW A MODEL, LINE-MAKE, OR DEALER AGREEMENT WITH A DEALER**
3 **ONLY FOR GOOD CAUSE.**

4 **(2) (I) THE MANUFACTURER OR DISTRIBUTOR HAS THE BURDEN**
5 **OF SHOWING GOOD CAUSE FOR THE TERMINATION CANCELLATION, OR FAILURE TO**
6 **RENEW A MODEL, LINE-MAKE, OR DEALER AGREEMENT WITH A DEALER.**

7 **(II) THE DETERMINATION OF GOOD CAUSE SHALL BE BASED ON:**

8 **1. THE EXTENT OF THE DEALER'S PENETRATION INTO**
9 **THE RELEVANT MARKET AREA FOR THE RELEVANT MODEL OR LINE-MAKE;**

10 **2. THE ADEQUACY OF THE DEALER'S SERVICE**
11 **FACILITIES, EQUIPMENT, PARTS, SUPPLIES, AND PERSONNEL;**

12 **3. THE EFFECT OF THE PROPOSED ACTION ON THE**
13 **COMMUNITY;**

14 **4. THE EXTENT AND QUALITY OF THE DEALER'S SERVICE**
15 **UNDER RECREATIONAL VEHICLE WARRANTIES; AND**

16 **5. THE DEALER'S PERFORMANCE UNDER THE TERMS OF**
17 **THE DEALER AGREEMENT.**

18 **(B) ON RENEWAL OF A DEALER AGREEMENT, A MANUFACTURER OR**
19 **DISTRIBUTOR MAY NOT REQUIRE ADDITIONAL INVENTORY STOCKING**
20 **REQUIREMENTS OR INCREASED SALES TARGETS IN EXCESS OF THE MARKET**
21 **GROWTH IN THE DEALER'S AREA OF SALES.**

22 **(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A**
23 **MANUFACTURER OR DISTRIBUTOR SHALL PROVIDE A DEALER WITH WRITTEN**
24 **NOTICE AT LEAST 120 DAYS BEFORE THE TERMINATION, CANCELLATION, OR**
25 **NONRENEWAL OF A MODEL, LINE-MAKE, OR DEALER AGREEMENT.**

26 **(2) THE NOTICE SHALL STATE ALL REASONS FOR THE PROPOSED**
27 **TERMINATION, CANCELLATION, OR NONRENEWAL.**

28 **(3) (I) WITHIN 30 DAYS FOLLOWING RECEIPT OF THE NOTICE, A**
29 **DEALER MAY PROVIDE WRITTEN NOTICE OF INTENT TO RECTIFY ALL CLAIMED**
30 **DEFICIENCIES.**

1 **(II) IF THE DEFICIENCIES ARE RECTIFIED BY THE DEALER**
2 **WITHIN 120 DAYS FOLLOWING THE NOTICE OF INTENT TO RECTIFY, THE**
3 **MANUFACTURER'S OR DISTRIBUTOR'S NOTICE OF TERMINATION IS VOID.**

4 **(III) SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, IF A**
5 **DEALER FAILS TO PROVIDE TIMELY WRITTEN NOTICE OF INTENT TO RECTIFY OR**
6 **FAILS TO RECTIFY WITHIN 120 DAYS AFTER NOTICE OF INTENT TO RECTIFY, THE**
7 **TERMINATION, CANCELLATION, OR NONRENEWAL OF THE DEALER AGREEMENT**
8 **SHALL TAKE EFFECT.**

9 **(4) THE 120-DAY NOTICE PERIOD SHALL BE REDUCED TO 30 DAYS IF**
10 **THE TERMINATION, CANCELLATION, OR NONRENEWAL IS DUE TO:**

11 **(I) A DEALER OR ONE OF THE DEALER'S OWNERS BEING**
12 **CONVICTED OF, OR ENTERING A PLEA OF NOLO CONTENDERE TO, A FELONY;**

13 **(II) THE ABANDONMENT OR CLOSING OF THE BUSINESS**
14 **OPERATIONS OF THE DEALER FOR 10 CONSECUTIVE BUSINESS DAYS, UNLESS THE**
15 **CLOSING IS DUE TO A CAUSE THAT IS OUT OF THE DEALER'S CONTROL;**

16 **(III) A SIGNIFICANT MISREPRESENTATION BY A DEALER**
17 **MATERIALLY AFFECTING THE BUSINESS RELATIONSHIP; OR**

18 **(IV) A SUSPENSION OR REVOCATION OF A DEALER'S LICENSE,**
19 **OR FAILURE BY A DEALER TO RENEW A DEALER'S LICENSE.**

20 **(5) THE NOTICE PROVISIONS OF THIS SECTION DO NOT APPLY IF THE**
21 **REASON FOR TERMINATION, CANCELLATION, OR NONRENEWAL IS INSOLVENCY, THE**
22 **OCCURRENCE OF AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, OR**
23 **BANKRUPTCY.**

24 **(D) (1) A DEALER MAY TERMINATE, CANCEL, OR NOT RENEW A MODEL, A**
25 **LINE-MAKE, OR THE DEALER AGREEMENT WITH A MANUFACTURER OR**
26 **DISTRIBUTOR WITH OR WITHOUT GOOD CAUSE AT ANY TIME BY GIVING 30 DAYS'**
27 **WRITTEN NOTICE TO THE MANUFACTURER OR DISTRIBUTOR.**

28 **(2) A DETERMINATION OF GOOD CAUSE MAY BE BASED ON:**

29 **(I) A MANUFACTURER OR DISTRIBUTOR BEING CONVICTED OF,**
30 **OR ENTERING A PLEA OF NOLO CONTENDERE TO, A FELONY;**

1 **(II) THE BUSINESS OPERATIONS HAVING BEEN ABANDONED OR**
2 **CLOSED FOR 10 CONSECUTIVE DAYS, UNLESS THE CLOSING IS DUE TO A CAUSE THAT**
3 **IS OUT OF THE CONTROL OF THE MANUFACTURER OR DISTRIBUTOR;**

4 **(III) A SIGNIFICANT MISREPRESENTATION BY THE**
5 **MANUFACTURER OR DISTRIBUTOR THAT MATERIALLY AFFECTS THE BUSINESS**
6 **RELATIONSHIP;**

7 **(IV) A DECLARATION BY THE MANUFACTURER OR DISTRIBUTOR**
8 **OF INSOLVENCY, THE OCCURRENCE OF AN ASSIGNMENT FOR THE BENEFIT OF**
9 **CREDITORS, OR BANKRUPTCY;**

10 **(V) A MANUFACTURER'S OR DISTRIBUTOR'S MATERIAL**
11 **VIOLATION OF THE DEALER AGREEMENT THAT IS NOT CURED WITHIN 120 DAYS**
12 **AFTER WRITTEN NOTICE TO THE DEALER; OR**

13 **(VI) A MANUFACTURER OR DISTRIBUTOR VIOLATING AN AREA**
14 **OF SALES PROTECTION OR ALLOWING OTHER DEALERS TO VIOLATE AN AREA OF**
15 **SALES PROTECTION.**

16 **(E) IF THE DEALER AGREEMENT IS TERMINATED, CANCELED, OR NOT**
17 **RENEWED BY THE DEALER FOR GOOD CAUSE, WITHIN 45 DAYS AFTER THE**
18 **TERMINATION, CANCELLATION, OR NONRENEWAL, THE MANUFACTURER OR**
19 **DISTRIBUTOR SHALL, AT REQUEST OF THE DEALER, REPURCHASE:**

20 **(1) ALL NEW, UNALTERED, UNDAMAGED, AND UNTITLED**
21 **RECREATIONAL VEHICLES THAT WERE ACQUIRED FROM THE MANUFACTURER OR**
22 **DISTRIBUTOR WITHIN 18 MONTHS BEFORE THE TERMINATION, CANCELLATION, OR**
23 **NONRENEWAL, AT 100% OF THE INVOICE COST, INCLUDING TRANSPORTATION**
24 **COSTS, EXCEPT THAT IF ANY RECREATIONAL VEHICLE IS DAMAGED, THE AMOUNT**
25 **DUE TO THE DEALER SHALL BE REDUCED BY THE COST TO REPAIR THE DAMAGE;**

26 **(2) ALL NEW, UNDAMAGED ACCESSORIES AND PROPRIETARY PARTS**
27 **WITH THE ORIGINAL INVOICE SOLD TO THE DEALER FOR RESALE WITHIN 12 MONTHS**
28 **BEFORE THE TERMINATION, CANCELLATION, OR NONRENEWAL OF THE DEALER**
29 **AGREEMENT, AT 105% OF THE DEALER'S ORIGINAL PRICE PAID; AND**

30 **(3) ANY PROPERLY FUNCTIONING DIAGNOSTIC EQUIPMENT,**
31 **SPECIALTY TOOLS, CURRENT SIGNAGE, OR OTHER EQUIPMENT AND MACHINERY**
32 **THAT WAS PURCHASED WITHIN 5 YEARS BEFORE THE TERMINATION,**
33 **CANCELLATION, OR NONRENEWAL AND CAN NO LONGER BE USED IN THE NORMAL**
34 **COURSE OF BUSINESS, AT 100% OF THE DEALER'S ORIGINAL PRICE PAID, PLUS**
35 **FREIGHT, DESTINATION, DELIVERY, AND ANY APPLICABLE TAX.**

1 (F) IF THE DEALER AGREEMENT IS TERMINATED, CANCELED, OR NOT
2 RENEWED BY THE MANUFACTURER OR DISTRIBUTOR WITHOUT GOOD CAUSE, THE
3 MANUFACTURER OR DISTRIBUTOR SHALL REPURCHASE DEALER INVENTORY AS
4 PROVIDED IN SUBSECTION (E) OF THIS SECTION.

5 (G) A DEALER IS NOT PROHIBITED FROM SELLING THE REMAINING
6 IN-STOCK INVENTORY OF A PARTICULAR MODEL OR LINE-MAKE AFTER A DEALER
7 AGREEMENT HAS BEEN TERMINATED, CANCELED, OR NOT RENEWED BY THE
8 MANUFACTURER OR DISTRIBUTOR.

9 (H) WHEN TAKING ON AN ADDITIONAL LINE-MAKE OF A RECREATIONAL
10 VEHICLE, A DEALER SHALL NOTIFY IN WRITING ANY MANUFACTURER OR
11 DISTRIBUTOR WITH WHOM THE DEALER HAS A DEALER AGREEMENT OF THE SAME
12 LINE-MAKE AT LEAST 30 DAYS BEFORE ENTERING INTO A DEALER AGREEMENT FOR
13 THE ADDITIONAL LINE-MAKE.

14 15-1004.

15 (A) (1) IF A DEALER DESIRES TO MAKE A TRANSFER IN OWNERSHIP BY
16 SALE OF THE BUSINESS ASSETS, STOCK TRANSFER, OR ANY OTHER METHOD, THE
17 DEALER SHALL GIVE A MANUFACTURER OR DISTRIBUTOR THAT HAS ENTERED INTO
18 A DEALER AGREEMENT WITH THE DEALER WRITTEN NOTICE AT LEAST 10 BUSINESS
19 DAYS BEFORE THE TRANSFER, INCLUDING ALL SUPPORTING DOCUMENTATION AS
20 MAY BE REASONABLY REQUIRED BY THE MANUFACTURER OR DISTRIBUTOR TO
21 DETERMINE WHETHER AN OBJECTION TO THE TRANSFER MAY BE MADE.

22 (2) A MANUFACTURER OR DISTRIBUTOR MAY NOT OBJECT TO THE
23 PROPOSED TRANSFER OF OWNERSHIP UNLESS THE PROSPECTIVE TRANSFEREE
24 WITHIN THE PRIOR 10 YEARS:

25 (I) HAS BEEN TERMINATED FOR CAUSE BY THE
26 MANUFACTURER OR DISTRIBUTOR;

27 (II) HAS BEEN CONVICTED OF A FELONY OR ANY CRIME OF
28 MORAL TURPITUDE;

29 (III) LACKS ANY DEALER LICENSE REQUIRED BY LAW;

30 (IV) LACKS AN ACTIVE LINE OF CREDIT SUFFICIENT TO
31 PURCHASE THE MANUFACTURER'S OR DISTRIBUTOR'S PRODUCT; OR

1 **(V) HAS UNDERGONE BANKRUPTCY, INSOLVENCY, A GENERAL**
2 **ASSIGNMENT FOR THE BENEFIT OF CREDITORS, OR THE APPOINTMENT OF A**
3 **RECEIVER, TRUSTEE, OR CONSERVATOR TO TAKE POSSESSION OF THE**
4 **TRANSFEREE'S BUSINESS PROPERTY.**

5 **(B) (1) IF THE MANUFACTURER OR DISTRIBUTOR OBJECTS TO A**
6 **PROPOSED CHANGE OF OWNERSHIP, THE MANUFACTURER OR DISTRIBUTOR SHALL**
7 **GIVE WRITTEN NOTICE TO THE DEALER WITHIN 7 BUSINESS DAYS AFTER RECEIPT**
8 **OF THE DEALER'S NOTIFICATION AND COMPLETE DOCUMENTATION.**

9 **(2) IF THE MANUFACTURER OR DISTRIBUTOR DOES NOT GIVE TIMELY**
10 **NOTICE OF THE OBJECTION, THE TRANSFER SHALL BE DEEMED APPROVED.**

11 **(C) (1) A DEALER SHALL HAVE AN OPPORTUNITY TO DESIGNATE, IN**
12 **WRITING, A FAMILY MEMBER AS A SUCCESSOR TO THE DEALER'S BUSINESS IN THE**
13 **EVENT OF DEATH, INCAPACITY, OR RETIREMENT OF THE DEALER.**

14 **(2) A MANUFACTURER OR DISTRIBUTOR MAY ONLY OBJECT TO THE**
15 **SUCCESSOR WITHIN 10 BUSINESS DAYS AFTER RECEIPT OF THE DEALER'S**
16 **SUCCESSION PLAN IF THE SUCCESSOR:**

17 **(I) WAS CONVICTED OF A FELONY OR CRIME OF MORAL**
18 **TURPITUDE;**

19 **(II) DECLARED BANKRUPTCY OR INSOLVENCY WITHIN THE**
20 **PRIOR 10 YEARS;**

21 **(III) LACKS AN ACTIVE LINE OF CREDIT SUFFICIENT TO**
22 **PURCHASE THE MANUFACTURER'S OR DISTRIBUTOR'S PRODUCT;**

23 **(IV) LACKS ANY DEALER'S LICENSE REQUIRED BY LAW; OR**

24 **(V) WOULD CAUSE OR HAS CAUSED A BREACH OF THE DEALER**
25 **AGREEMENT.**

26 **15-1005.**

27 **(A) (1) EACH WARRANTOR SHALL:**

28 **(I) SPECIFY IN WRITING EACH DEALER'S OBLIGATIONS FOR**
29 **PREPARATION, DELIVERY, AND WARRANTY SERVICE FOR THE WARRANTOR'S**
30 **PRODUCTS;**

1 **(II) COMPENSATE THE DEALER FOR WARRANTY SERVICE**
2 **PERFORMED BY THE DEALER THAT IS COVERED BY THE WARRANTY; AND**

3 **(III) PROVIDE THE DEALER A SCHEDULE OF COMPENSATION TO**
4 **BE PAID AND THE REASONABLE TIME ALLOWANCE FOR THE PERFORMANCE OF ANY**
5 **SERVICE AND REPAIRS UNDER A WARRANTY.**

6 **(2) IF THE SCHEDULE OF COMPENSATION DOES NOT INCLUDE A**
7 **PARTICULAR SERVICE OR REPAIR, A WARRANTOR SHALL REIMBURSE THE DEALER**
8 **A REASONABLE AMOUNT FOR THE SERVICE OR REPAIR.**

9 **(B) (1) A WARRANTOR SHALL REIMBURSE THE DEALER FOR ANY**
10 **WARRANTY PART AT WHOLESALE COST PLUS A 30% HANDLING CHARGE.**

11 **(2) THE MAXIMUM HANDLING CHARGE UNDER THIS SUBSECTION IS**
12 **\$300.**

13 **(3) A WARRANTOR SHALL REIMBURSE A DEALER THE COST OF**
14 **FREIGHT TO RETURN A WARRANTY PART, AN ACCESSORY, OR A COMPONENT TO THE**
15 **WARRANTOR, IF THE RETURN IS REQUESTED BY THE WARRANTOR.**

16 **(C) WARRANTY AUDITS OF DEALER RECORDS MAY BE CONDUCTED BY THE**
17 **WARRANTOR ON A REASONABLE BASIS.**

18 **(D) (1) A DEALER SHALL SUBMIT A WARRANTY CLAIM WITHIN 45 DAYS**
19 **AFTER COMPLETING THE WORK.**

20 **(2) A WARRANTOR MAY DISAPPROVE WARRANTY CLAIMS ONLY:**

21 **(I) IN WRITING;**

22 **(II) WITHIN 45 DAYS AFTER THE DATE THE WARRANTY CLAIM**
23 **WAS SUBMITTED BY THE DEALER; AND**

24 **(III) IN THE MANNER PRESCRIBED BY THE WARRANTOR.**

25 **(3) CLAIMS NOT DISAPPROVED IN WRITING WITHIN 45 DAYS SHALL**
26 **BE DEEMED TO BE APPROVED AND SHALL BE PAID BY THE WARRANTOR WITHIN 60**
27 **DAYS.**

28 **(E) A DEALER SHALL GIVE NOTICE TO A WARRANTOR AS SOON AS**
29 **REASONABLY POSSIBLE IF THE DEALER IS UNABLE OR UNWILLING TO PERFORM**
30 **MATERIAL OR REPETITIVE WARRANTY REPAIRS.**

1 (F) IT IS A VIOLATION OF THIS SECTION FOR ANY WARRANTOR TO:

2 (1) FAIL TO PERFORM ANY OF ITS WARRANTY OBLIGATIONS WITH
3 RESPECT TO ITS WARRANTED PRODUCTS;

4 (2) FAIL TO INCLUDE WRITTEN NOTICES OF FACTORY CAMPAIGNS TO
5 RECREATIONAL VEHICLE OWNERS AND DEALERS FOR THE EXPECTED DATE BY
6 WHICH PARTS AND EQUIPMENT WILL BE AVAILABLE TO DEALERS TO PERFORM THE
7 CAMPAIGN WORK;

8 (3) IF THE CARRIER IS DESIGNATED BY THE MANUFACTURER,
9 DISTRIBUTOR, OR WARRANTOR, FAIL TO COMPENSATE A DEALER FOR AUTHORIZED
10 REPAIRS PERFORMED BY A DEALER FOR A PRODUCT DAMAGED IN TRANSIT TO THE
11 DEALER;

12 (4) FAIL TO COMPENSATE ANY DEALER FOR AUTHORIZED WARRANTY
13 SERVICE IN ACCORDANCE WITH THE TIME ALLOWANCES SET FORTH IN THE
14 SCHEDULE OF COMPENSATION, IF PERFORMED IN A TIMELY MANNER;

15 (5) INTENTIONALLY MISREPRESENT TO PURCHASERS OF
16 RECREATIONAL VEHICLES THAT A DEALER IS A WARRANTOR OR CO-WARRANTOR;
17 OR

18 (6) REQUIRE A DEALER TO MAKE WARRANTIES TO CUSTOMERS IN
19 ANY MANNER RELATED TO THE MANUFACTURING OF A RECREATIONAL VEHICLE.

20 (G) IT IS A VIOLATION OF THIS SECTION FOR A DEALER TO:

21 (1) FAIL TO PERFORM PREDELIVERY INSPECTION FUNCTIONS AS
22 SPECIFIED BY THE WARRANTOR;

23 (2) FAIL TO PERFORM WARRANTY SERVICE WORK AUTHORIZED BY
24 THE WARRANTOR IN A REASONABLY TIMELY MANNER ON ANY TRANSIENT
25 CUSTOMER'S RECREATIONAL VEHICLE OF THE SAME LINE-MAKE;

26 (3) FAIL TO TRACK ACTUAL TIME EXPENDED TO PERFORM WARRANTY
27 WORK NOT GOVERNED BY TIME ALLOWANCE IN THE SCHEDULE OF COMPENSATION;

28 (4) CLAIM AN AGENCY RELATIONSHIP WITH A WARRANTOR; OR

29 (5) MISREPRESENT THE TERMS OF A WARRANTY.

1 **(H) UNLESS SPECIFIED IN THE TERMS OF A DEALER AGREEMENT, IT IS A**
2 **VIOLATION OF THIS SECTION FOR:**

3 **(1) A WARRANTOR TO FAIL TO INDEMNIFY, DEFEND, AND HOLD**
4 **HARMLESS A DEALER AGAINST ANY LOSSES OR DAMAGES TO THE EXTENT THE**
5 **LOSSES OR DAMAGES ARE CAUSED BY THE NEGLIGENCE OR MISCONDUCT OF THE**
6 **WARRANTOR; OR**

7 **(2) A DEALER TO FAIL TO INDEMNIFY, DEFEND, AND HOLD HARMLESS**
8 **A WARRANTOR AGAINST ANY LOSSES OR DAMAGES TO THE EXTENT THE LOSSES OR**
9 **DAMAGES ARE CAUSED BY THE NEGLIGENCE OR MISCONDUCT OF THE DEALER.**

10 **(I) INDEMNIFICATION UNDER THIS SUBSECTION SHALL INCLUDE COURT**
11 **COSTS, REASONABLE ATTORNEY'S FEES, AND EXPERT WITNESS FEES INCURRED BY**
12 **THE DEFENDING PARTY.**

13 **15-1006.**

14 **(A) WHEN A NEW RECREATIONAL VEHICLE IS DAMAGED BEFORE TRANSIT**
15 **TO THE DEALER, OR IS DAMAGED IN TRANSIT TO THE DEALER AND THE**
16 **MANUFACTURER OR DISTRIBUTOR WAS RESPONSIBLE FOR TRANSIT, THE DEALER**
17 **SHALL:**

18 **(1) NOTIFY THE MANUFACTURER OR DISTRIBUTOR OF THE DAMAGE**
19 **WITHIN THE TIME FRAME SPECIFIED IN THE DEALER AGREEMENT;**

20 **(2) REQUEST AUTHORIZATION TO REPLACE THE COMPONENTS,**
21 **PARTS, OR ACCESSORIES DAMAGED; AND**

22 **(3) REJECT THE RECREATIONAL VEHICLE WITHIN 2 DAYS AFTER**
23 **PHYSICAL DELIVERY OF THE RECREATIONAL VEHICLE.**

24 **(B) (1) IF A DEALER DETERMINES THAT A RECREATIONAL VEHICLE AT**
25 **THE TIME OF DELIVERY HAS AN UNREASONABLE AMOUNT OF MILES ON THE**
26 **ODOMETER, THE RECREATIONAL VEHICLE MAY BE SUBJECT TO REJECTION BY THE**
27 **DEALER AND REVERSION OF THE RECREATIONAL VEHICLE TO THE MANUFACTURER**
28 **OR DISTRIBUTOR.**

29 **(2) A DEALER MAY NOT DEEM LESS THAN THE DISTANCE BETWEEN**
30 **THE DEALER AND THE MANUFACTURER'S FACTORY OR A DISTRIBUTOR'S POINT OF**
31 **DISTRIBUTION, AS APPROPRIATE, PLUS 100 MILES AS AN UNREASONABLE AMOUNT**
32 **OF MILES.**

1 **15-1007.**

2 (A) (1) IN THIS SECTION, "COERCE" MEANS TO COMPEL OR ATTEMPT TO
3 COMPEL BY THREAT OF HARM, BREACH OF CONTRACT, OR OTHER ADVERSE ACTION
4 OR CONSEQUENCES, INCLUDING THE LOSS OF ANY INCENTIVE OR OTHER BENEFIT
5 MADE AVAILABLE TO OTHER DEALERS OF THE SAME LINE-MAKE IN THE STATE.

6 (2) "COERCE" INCLUDES THREATENING TO TERMINATE, CANCEL, OR
7 NOT RENEW A DEALER AGREEMENT WITHOUT GOOD CAUSE, OR HOLD OR DELAY
8 PRODUCT DELIVERY.

9 (B) A MANUFACTURER OR DISTRIBUTOR, WHETHER DIRECTLY OR
10 THROUGH AN AGENT, AN EMPLOYEE, AN AFFILIATE, OR A REPRESENTATIVE, MAY
11 NOT COERCE OR ATTEMPT TO COERCE A DEALER TO:

12 (1) PURCHASE A PRODUCT THE DEALER DID NOT ORDER;

13 (2) ENTER INTO AN AGREEMENT WITH THE MANUFACTURER OR
14 DISTRIBUTOR;

15 (3) TAKE ACTION THAT IS UNFAIR OR UNREASONABLE TO THE
16 DEALER; OR

17 (4) FORGO EXERCISING A RIGHT AUTHORIZED BY A DEALER
18 AGREEMENT OR ANY LAW GOVERNING THE BUSINESS RELATIONSHIP.

19 **15-1008.**

20 (A) NOTWITHSTANDING ANY ADMINISTRATIVE OR CRIMINAL SANCTIONS
21 IMPOSED BY THIS SUBTITLE, IF A PERSON SUFFERS FINANCIAL INJURY OR OTHER
22 DAMAGE AS A RESULT OF A VIOLATION OF THIS SUBTITLE BY ANY OTHER PERSON,
23 WHETHER OR NOT THAT OTHER PERSON HAS BEEN FOUND GUILTY OF A CRIMINAL
24 VIOLATION, THE INJURED PERSON MAY RECOVER DAMAGES AND REASONABLE
25 ATTORNEY'S FEES IN ANY COURT OF COMPETENT JURISDICTION.

26 (B) (1) BEFORE BRINGING A CIVIL ACTION UNDER THIS SECTION, THE
27 PARTY BRINGING THE ACTION SHALL SERVE A WRITTEN DEMAND FOR MEDIATION
28 ON THE OFFENDING PARTY.

29 (2) THE PARTIES TO MEDIATION SHALL PAY THEIR OWN COSTS FOR
30 ATTORNEY'S FEES AND DIVIDE THE MEDIATOR COST EQUALLY.

1 **(3) THIS SUBSECTION DOES NOT APPLY TO AN ACTION FOR**
2 **INJUNCTIVE RELIEF.**

3 **(C) A DEALER, MANUFACTURER, DISTRIBUTOR, OR WARRANTOR MAY**
4 **APPLY FOR A GRANT OF INJUNCTIVE RELIEF FROM A VIOLATION OF THIS SUBTITLE**
5 **OR A REFUSAL TO COMPLY WITH A REQUIREMENT OF THIS SUBTITLE.**

6 **15-1009.**

7 **(A) THE ADMINISTRATION MAY SUSPEND OR REVOKE ANY DEALER'S,**
8 **MANUFACTURER'S, OR DISTRIBUTOR'S LICENSE ON A FINDING THAT A PARTY**
9 **VIOLATED THIS SUBTITLE.**

10 **(B) THE ADMINISTRATION MAY IMPOSE A FINE NOT EXCEEDING \$1,000 FOR**
11 **EACH VIOLATION OF THIS SUBTITLE.**

12 **(C) A DEALER, MANUFACTURER, DISTRIBUTOR, OR WARRANTOR IS**
13 **ENTITLED TO A HEARING UNDER TITLE 12, SUBTITLE 2 OF THIS ARTICLE TO**
14 **CONTEST AN ACTION OR A FINE IMPOSED UNDER THIS SECTION.**

15 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
16 **October 1, 2024.**