



# HOUSE BILL 848: RV Dealer Regulation.

2019-2020 General Assembly

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|-----------------------|--|---------------------|-----------------------------|
| <b>Committee:</b>     | House Rules, Calendar, and Operations of the House | <b>Date:</b>        | July 30, 2019               |
| <b>Introduced by:</b> | Rep. Torbett                                       | <b>Prepared by:</b> | Wendy Ray<br>Staff Attorney |
| <b>Analysis of:</b>   | PCS to Second Edition<br>H848-CSSU-48              |                     |                             |

**OVERVIEW:** House Bill 848 would modify the statutory framework for regulation of recreational vehicle dealers and manufacturers. The bill would create a new article in Chapter 20 specifically regulating recreational vehicle dealers and manufacturers and would remove them from existing provisions covering motor vehicle dealers and manufacturers.

The PCS conforms the definition of park model RV in the bill to the existing definition in highway use tax provisions to avoid any potential confusion regarding how those vehicles are taxed under existing law.

**CURRENT LAW:** Article 12 of Chapter 20 of the General Statutes governs motor vehicle dealers and manufacturers. Recreational vehicles are included in the definition of "motor vehicle" and are generally subject to the same regulatory framework as motor vehicle dealers and manufacturers. Current law provides for:

- Licensure and regulation of motor vehicle dealers and manufacturers.
- Dealership responsibilities, including record-keeping and the display of vehicles for sale.
- Powers and duties of the Commissioner of Motor Vehicles to prevent violations of provisions regulating dealers and manufacturers.
- Prohibited conduct of manufacturers with regard to franchised dealers and franchise agreements.
- Dealer warranty and recall obligations.
- Prohibition on unfair methods of competition by manufacturers.
- Protection of customer data obtained by dealerships.

**BILL ANALYSIS:** House Bill 848 would modify the statutory framework for recreational vehicle dealers and manufacturers by removing them from the existing article regulating motor vehicle dealers and manufacturers and creating a new article that separately regulates them. Many of the provisions in the bill that would make up the new recreational vehicle article mirror existing provisions regulating other motor vehicle dealers and manufacturers.

**Section 1** of the bill would amend existing law regulating motor vehicle dealers and manufacturers to remove references and provisions applicable to recreational vehicles.

**Section 2** would amend and clarify definitions relating to recreational vehicle types and classifications.

Karen Cochrane-Brown  
Director



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**Section 3** would create a new Article 19 within Chapter 20 of the General Statutes specific to recreational vehicle dealers and manufacturers and would provide for:

- Licensure and regulation of recreational vehicle dealers and manufacturers.
- Dealership responsibilities, including record-keeping and the display of vehicles for sale.
- Powers and duties of the Commissioner of Motor Vehicles to prevent violations of provisions regulating recreational vehicle dealers and manufacturers.
- Prohibition on manufacturers from selling recreational vehicles in this State to or through a dealer without first having a manufacturer and dealer agreement.
- Procedures relating to:
  - Termination, cancellation, nonrenewal, or alteration of manufacturer and dealership agreements.
  - Repurchase of inventory.
  - Transfers of recreational vehicle dealerships.
  - Warranty obligations.
  - Inspection and rejections by dealers of recreational vehicles received from the manufacturer.

**Section 4** would make conforming changes within Chapter 20 to include references to the new Article 19 enacted by this act.

**EFFECTIVE DATE:** This act would be effective when it becomes law and would apply to all agreements entered into on or after the date 12 months after the effective date.

*Howard Marsilio, counsel to House Transportation, substantially contributed to this summary.*