



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 764

PRINTERS NO. 2049

PRIME SPONSOR: Gordner

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
Professional Licensure Augmentation Account	\$0	\$0

SUMMARY: Amends the Board of Vehicles Act to establish a specific chapter for recreational vehicles. This legislation would take effect in one year and would be applicable to recreational vehicle manufacturer/dealer agreements entered into/renewed on or after the effective date.

ANALYSIS: This legislation amends the Board of Vehicles Act (Act 84 of 1983) to do the following:

- Reorganizes the existing definitions section into a new Chapter 1.
- Adds definitions of "Fifth wheel trailer", "Folding camping trailer", "Park model RV", "Recreational vehicle warrantor", "Travel trailer" and "Truck camper."
- Updates existing definitions of "Motor home" and "Recreational vehicle".
- Deletes the definition of "Recreational vehicle park trailer".
- Prohibits significant changes to a facility within 10 years of construction or remodeling without assurances that manufacturer/distributor will provide the supply of vehicles unless it is required to comply with the law.
- Provides that the Board of Vehicles shall issue a temporary permit when a new dealer submits an application. If the application does not have a franchise approval letter, business telephone line information, the certificate of occupancy or the lease or deed for the property, the temporary permit will expire in 45 days.
- Reorganizes existing provisions of the Act into a new Chapter 3 and adds a new Chapter 5 for provisions that only relate to recreational vehicles.
- Clarifies that the protest provisions of Section 306 (Protest hearing decision within 120 days unless waived by the parties) do apply to Chapter 5 (Recreational Vehicles) activities and actions between recreational vehicle dealers, manufacturers, distributors and suppliers.
- Clarifies that the following sections do not apply to recreational vehicles:
 - Section 307 (Reimbursement for all parts and service required by the manufacturer or distributor; reimbursement audits)
 - Section 308 (Damage disclosure)
 - Section 310 (Unlawful acts by manufacturers or distributors)
 - Section 311 (Area of responsibility)
 - Section 312 (Termination of franchises)
 - Section 314 (Succession to franchise ownership)
 - Section 315 (Manufacturer right of first refusal)

The legislation creates a new Chapter 5 (Recreational Vehicles) which shall apply to recreational vehicle manufacturer/dealer agreements entered into or renewed after the effective date. The following sections are summarized below:

- Section 502 – Adds definitions specific to Chapter 5.
- Section 503 – Requires manufacturers and dealers to have entered into a manufacturer/dealer agreement in order to sell recreational vehicles in PA. The manufacturer/dealer agreements must designate the area of sales responsibility exclusively assigned to the dealer.
- Section 504 – Establishes the parameters under which a recreational vehicle manufacturer may terminate a manufacturer/dealer agreement.
- Section 505 – Establishes the parameters under which a dealer may terminate a manufacturer/dealer agreement.
- Section 506 – Requires the manufacturer to repurchase inventory when a dealer terminates a manufacturer/dealer agreement for just cause.
- Section 507 – Establishes the parameters under which a dealer may make a change in ownership without terminating the agreement with the manufacturer.
- Section 508 – Establishes the requirements manufacturers and dealers must satisfy when providing warranty service.
- Section 509 – Establishes that manufacturers and dealers who have manufacturer/dealer agreements shall indemnify the other party for damages caused by negligence or willful misconduct.
- Section 510 – Establishes the obligations of the manufacturer and dealer regarding new recreational vehicles that are damaged prior to or during transit to the dealer.
- Section 511 – Prohibits manufacturers from coercing dealers to purchase a product the dealer did not order, enter into an agreement with the manufacturer or enter into an agreement that requires the dealer to submit disputes to binding arbitration or waive its rights under the chapter.
- Section 512 – Establishes that unless they are inconsistent with the provisions in Chapter 5 or are expressly excluded, the remainder of the Act shall apply to recreational vehicle dealers, manufacturers, distributors and suppliers.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 9, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.