



SPONSOR: Rep. Willis & Sen. Ennis;
Reps. Kenton, D. Short, Q. Johnson, B. Short

HOUSE OF REPRESENTATIVES
146th GENERAL ASSEMBLY

HOUSE BILL NO. 352

AN ACT TO AMEND TITLE 21 AND TITLE 30 OF THE DELAWARE CODE RELATING TO RECREATIONAL VEHICLES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

1 Section 1. Amend Title 21 of the Delaware Code by making insertions as shown by underlining and deletions as
2 shown by strike through to read:

3 CHAPTER 84. RECREATIONAL VEHICLE MANUFACTURER-DEALER AGREEMENTS.

4 § 8401. Legislative intent.

5 (a) The intent of the Legislature is to protect the public health, safety, and welfare of the residents of the
6 State by regulating the relationship among recreational vehicle dealers, manufacturers, distributors, and suppliers;
7 maintaining competition; and providing consumer protection and fair trade.

8 (b) The intent of the Legislature is that the provisions of this chapter be applied to manufacturer-dealer
9 agreements in regard to recreational vehicles, entered into on or after July 1, 2013.

10 § 8402. Definitions.

11 As used in this chapter, the following definitions apply:

12 (1) "Area of sales responsibility" means the geographical area, agreed to by the dealer and the manufacturer
13 in the manufacturer-dealer agreement, within which the dealer has the exclusive right to display or sell the manufacturer's
14 new recreational vehicles of a particular line-make to the retail public.

15 (2) "Dealer" means a person, firm, corporation, or business entity who is engaged in the business of buying,
16 selling, or exchanging new recreational vehicles.

17 (3) "Distributor" means a person, firm, corporation, or business entity that purchases new recreational
18 vehicles from a manufacturer for resale to dealers.

19 (4) "Factory campaign" means an effort on the part of a warrantor to contact recreational vehicle owners or
20 dealers in order to address a part or equipment issue.

- 21 (5) "Family member" means a spouse, child, grandchild, parent, sibling, niece, or nephew, or the spouse
22 thereof.
- 23 (6) "Line-make" means a specific series of recreational vehicle products that:
- 24 a. Are identified by a common series trade name or trademark;
- 25 b. Are targeted to a particular market segment, as determined by their decor, features, equipment,
26 size, weight, and price range;
- 27 c. Have lengths and interior floor plans that distinguish the recreational vehicles from other
28 recreational vehicles with substantially the same decor, equipment, features, price, and weight;
- 29 d. Belong to a single, distinct classification of recreational vehicle product type having a substantial
30 degree of commonality in the construction of the chassis, frame, and body; and
- 31 e. The manufacturer-dealer agreement authorizes a dealer to sell.
- 32 (7) "Manufacturer" means a person, firm, corporation, or business entity that engages in the manufacturing of
33 recreational vehicles.
- 34 (8) "Manufacturer-dealer agreement" means a written agreement or contract entered into between a
35 manufacturer and a dealer that fixes the rights and responsibilities of the parties and pursuant to which the dealer sells new
36 recreational vehicles.
- 37 (9) "New recreational vehicle" means a motorhome, travel trailer, fifth-wheel trailer, or folding camping
38 trailer, which has not been the subject of a retail sale.
- 39 (10) "Proprietary part" means any part manufactured by or for, and sold exclusively by, the manufacturer.
- 40 (11) "Recreational vehicle" means a vehicle which is primarily designed as temporary living quarters for
41 recreational, camping, or travel use, and that either has its own motive power or is towed by another motor vehicle. A
42 "recreational vehicle" may be a motor home, travel trailer, fifth-wheel travel trailer, or folding camping trailer.
- 43 a. "Motor home" means a motor vehicle designed to provide temporary living
44 quarters for recreational, camping, or travel use. A "motor home" must contain at least four of the
45 following permanently installed, independent life-support systems which meet the National Fire
46 Protection Association standard for recreational vehicles:
- 47 (i) A cooking facility with an on-board fuel source;
- 48 (ii) A potable water supply system that includes at least a sink, a faucet, and
49 a water tank with an exterior service supply connection;
- 50 (iii) A toilet with exterior evacuation;

51 (iv) A gas or electric refrigerator;
52 (v) A heating or air conditioning system with an on-board power or fuel
53 source separate from the vehicle engine; or
54 (vi) A 110-125 volt electric power supply.
55 b. “Travel trailer” means a vehicle, mounted on wheels, designed to provide temporary living
56 quarters for recreational, camping, or travel use. A “travel trailer” must be of such size and weight as to not
57 require a special highway movement permit when towed by a motorized vehicle.
58 c. “Fifth-wheel trailer” means a vehicle, mounted on wheels, designed to provide temporary living
59 quarters for recreational, camping, or travel use. A “fifth-wheel trailer” must be of such size and weight as to not
60 require a special highway movement permit, and must be designed to be towed by a motorized vehicle that contains
61 a towing mechanism that is mounted above or forward of the tow vehicle's rear axle.
62 d. “Folding camping trailer” means a vehicle that is mounted on wheels and constructed with
63 collapsible partial side walls that fold for towing by another vehicle and unfold at the campsite to provide
64 temporary living quarters for recreational, camping, or travel use.
65 (12) “Supplier” means any person, firm, corporation, or business entity that engages in the manufacturing of
66 recreational vehicle parts, accessories, or components.
67 (13) “Transient customer” means a customer who is temporarily traveling through a dealer's area of sales
68 responsibility.
69 (14) “Warrantor” means any person, firm, corporation, or business entity, including any manufacturer or
70 supplier that provides a written warranty to the consumer in connection with a new recreational vehicle or parts,
71 accessories, or components thereof. The term “warrantor” does not include service contracts, mechanical or other insurance,
72 or extended warranties sold for separate consideration by a dealer or other person not controlled by a manufacturer.
73 § 8403. Written agreements and designated territories.
74 (a) A manufacturer or distributor may not sell a recreational vehicle in this State to or through a dealer
75 without having first entered into a written and signed manufacturer-dealer agreement with a dealer.
76 (b) A manufacturer or distributor shall designate the area of sales responsibility exclusively assigned to a
77 dealer in a manufacturer-dealer agreement and may not change the area or contract with another dealer for the sale of the
78 same line-make in the designated area during the duration of the agreement, except as provided for in §6311(b) of this title.
79 (c) The area of sales responsibility may not be reviewed or changed without the consent of both parties for 1
80 year after the execution of the manufacturer-dealer agreement.

81 (d) Except as provided in subsection (5) of this section, a recreational vehicle dealer may not sell a new
82 recreational vehicle in this State without having first entered into a manufacturer-dealer agreement with a manufacturer or
83 distributor which has been signed by both parties.

84 (e) A dealer may not be prohibited from selling a particular line-make after a manufacturer-dealer agreement
85 has been terminated or not renewed under § 8404 of this chapter, if recreational vehicles of the terminated line-make are not
86 returned or required to be returned to the manufacturer. The dealer may continue to sell all-line makes that were subject to
87 the manufacturer-dealer agreement and are currently in stock until those line-makes are no longer in the dealer's inventory.

88 § 8404. Termination, cancellation, nonrenewal, or alteration of a dealership.

89 (a) A manufacturer or distributor, directly or through any authorized officer, agent or employee, may not
90 terminate, cancel, or fail to renew a manufacturer-dealer agreement without good cause. If the manufacturer or distributor
91 with good cause terminates, cancels, or fails to renew the manufacturer-dealer agreement, § 8405 of this chapter does not
92 apply.

93 (b) A manufacturer or distributor has the burden of showing good cause for terminating, canceling, or failing
94 to renew a manufacturer-dealer agreement with a dealer. For purposes of determining whether there is good cause for the
95 proposed action, any of the following factors may be considered:

96 (1) The extent of the affected dealer's penetration in the area of sales responsibility.

97 (2) The nature and extent of the dealer's investment in its business.

98 (3) The adequacy of the dealer's service facilities, equipment, parts, supplies, and personnel.

99 (4) The effect of the proposed action on the community.

100 (5) The extent and quality of the dealer's service under recreational vehicle warranties.

101 (6) The dealer's failure to follow agreed-upon procedures or standards related to the overall
102 operation of the dealership.

103 (7) The dealer's performance under the terms of its manufacturer-dealer agreement.

104 (c) Except as otherwise provided in this chapter, a manufacturer or distributor shall provide a dealer with at
105 least 120 days prior written notice of termination, cancellation, or nonrenewal of the manufacturer-dealer agreement if the
106 dealer is being terminated, cancelled, or nonrenewed for good cause.

107 (1) The notice must state all reasons for the proposed termination, cancellation, or nonrenewal, and
108 must further state that if, within 30 days following receipt of the notice, the dealer provides to the manufacturer or
109 distributor a written notice of intent to cure all claimed deficiencies, the dealer will then be entitled to the full
110 120-day notice period, commencing from the dealer's receipt of the manufacturer's or distributor's original notice to

111 rectify the deficiencies. If the deficiencies are rectified within the 120-day notice period, the manufacturer's or
112 distributor's notice is voided. If the dealer fails to provide the notice of intent to cure the deficiencies in the
113 prescribed 30-day time period, the termination, cancellation, or nonrenewal takes effect 30 days after the dealer's
114 receipt of the manufacturer's or distributor's original notice.

115 (2) The notice period may be reduced to 30 days if the manufacturer's or distributor's grounds for
116 termination, cancellation, or nonrenewal are due to any of the following good cause factors:

117 a. A dealer being convicted of, or entering a plea of *nolo contendere* to, a felony;

118 b. The abandonment or closing of the business operations of the dealer for 10 consecutive
119 business days unless the closing is due to an act of God, strike, labor difficulty, or other cause over which
120 the dealer has no control;

121 c. A significant misrepresentation by a dealer that materially affects the business
122 relationship between the dealer and the manufacturer or distributor;

123 d. A suspension or revocation of a dealer's license, or refusal to renew the dealer's license,
124 by the Division of Motor Vehicles;

125 e. A material violation of this chapter which the dealer does not cure within 30 days after
126 written notice by the manufacturer or distributor; or

127 f. A declaration by a dealer of bankruptcy, insolvency, or the occurrence of an assignment
128 for the benefit of creditors or bankruptcy;

129 (d) A dealer may terminate, cancel, or not renew its manufacturer-dealer agreement with a manufacturer or
130 distributor with or without good cause by giving 30-days written notice. In the case of a dealer terminating, cancelling, or
131 failing to renew a manufacturer-dealer agreement for good cause, the notice must state all the reasons for the proposed
132 termination, cancellation, or nonrenewal, and must further state that if, within 30 days following receipt of the notice, the
133 manufacturer or distributor provides to the dealer a written notice of intent to cure all claimed deficiencies, the
134 manufacturer or distributor will then be entitled to a 90-day notice period commencing from the manufacturer's receipt of
135 the dealer's original notice. If the deficiencies are rectified within the 90-day notice period, the dealer's notice is voided. If
136 the manufacturer or distributor fails to provide the notice of intent to cure the deficiencies in the prescribed 30-day time
137 period, the termination, cancellation, or nonrenewal takes effect 30 days after the manufacturer's or distributor's receipt of
138 the dealer's original notice, unless the parties agree otherwise in writing.

139 (e) If a dealer terminates, cancels or fails to renew a manufacturer-dealer agreement without good cause, the
140 provisions of § 8405 of this chapter do not apply. If the dealer terminates, cancels, or fails to renew the manufacturer-

141 dealer agreement with good cause, § 8405 of this chapter applies. The dealer has the burden of showing good cause. Any
142 of the following items are considered "good cause" for a proposed termination, cancellation, or nonrenewal action by a
143 dealer:

144 (1) A manufacturer or distributor being convicted of, or entering a plea of *nolo contendere* to, a
145 felony.

146 (2) The business operations of a manufacturer or distributor have been abandoned or closed for 10
147 consecutive business days, unless the closing is due to an act of God, strike, labor difficulty, or other cause over
148 which the manufacturer has no control.

149 (3) A significant misrepresentation by a manufacturer or distributor that materially affects the
150 business relationship between the manufacturer and the dealer.

151 (4) A material violation of this chapter which the manufacturer or distributor does not cure within
152 30 days after written notice by the dealer.

153 (5) A declaration by a manufacturer or distributor of bankruptcy, insolvency, or the occurrence of an
154 assignment for the benefit of creditors or bankruptcy.

155 § 8405. Repurchase of inventory.

156 (a) If a dealer terminates, cancels, or fails to renew a manufacturer-dealer agreement for good cause as
157 defined in § 8404(e) of this chapter and the manufacturer fails to cure the claimed deficiencies as provided in
158 § 8404(d) of this chapter, at the election of the dealer and within 45 days after termination, cancellation, or nonrenewal, the
159 manufacturer shall, repurchase:

160 (1) All new, untitled recreational vehicles that were acquired from the manufacturer or distributor
161 within 12 months before the effective date of the notice of termination, cancellation, or nonrenewal that have not
162 been used, except for demonstration purposes, and that have not been altered or damaged, at 100 percent of the net
163 invoice cost, including transportation, less applicable rebates and discounts to the dealer. If any of the vehicles
164 repurchased pursuant to this subdivision are damaged, but do not trigger a consumer disclosure requirement, the
165 amount due the dealer must be reduced by the cost to repair the vehicle. Damage prior to delivery to the dealer that
166 is disclosed at the time of delivery will not disqualify repurchase under this provision.

167 (2) All undamaged accessories and proprietary parts sold to a dealer for resale within the 12 months
168 prior to termination, cancellation, or nonrenewal, if accompanied by the original invoice, at 105 percent of the
169 original net price paid to the manufacturer or distributor to compensate the dealer for handling, packing, and
170 shipping the parts; and

171 (3) Any properly functioning diagnostic equipment, special tools, current signage, and other
172 equipment and machinery at 100 percent of the dealer's net cost plus freight, destination, delivery, and distribution
173 charges and sales taxes, if any, if the items were purchased by the dealer within 5 years before termination,
174 cancellation, or nonrenewal upon the manufacturer's or distributor's request, and can no longer be used in the
175 normal course of the dealer's ongoing business.

176 (b) The manufacturer or distributor shall pay the dealer within 30 days after receipt of the items returned
177 pursuant to this section.

178 § 8406. Transfer of dealership; family succession.

179 (a) If a dealer desires to make a change in ownership by the sale of the business assets, stock transfer, or
180 otherwise, the dealer shall give the manufacturer or distributor written notice at least 15 business days before the closing,
181 along with all supporting documentation that may be reasonably required by the manufacturer or distributor to determine if
182 an objection to the sale may be made. In the absence of a breach by the selling dealer of its manufacturer-dealer agreement
183 or a provision of this chapter, the manufacturer or distributor may not object to the proposed change in ownership unless
184 the prospective transferee:

185 (1) Has previously been terminated by the manufacturer for breach of its dealer agreement;

186 (2) Has been convicted of a felony or any crime of fraud, deceit, or moral turpitude;

187 (3) Lacks a license required by law;

188 (4) Does not have an active line of credit sufficient to purchase a manufacturer's or distributor's
189 product; or

190 (5) Has undergone in the last 10 years bankruptcy, insolvency, a general assignment for the benefit
191 of creditors, or the appointment of a receiver, trustee, or conservator to take possession of the transferee's business
192 or property.

193 (b) If the manufacturer or distributor objects to a proposed change of ownership pursuant to subsection (a) of
194 this section, the manufacturer or distributor shall give written notice of its reasons to the dealer within 10 business days
195 after receipt of the dealer's notification and all supporting documentation. The manufacturer or distributor has the burden of
196 proof with regard to its objection. If the manufacturer or distributor does not give timely notice of its objection, the change
197 of ownership is deemed approved.

198 (c) It is unlawful for a manufacturer or distributor to fail to provide a dealer with an opportunity to designate,
199 in writing, a family member as a successor to the dealership in the event of the death, incapacity, or retirement of the dealer.
200 It is unlawful to prevent or refuse to honor the succession to a dealership by a family member of the deceased.

201 incapacitated, or retired dealer, unless the manufacturer or distributor has provided to the dealer written notice of its
202 objections within 10 days after receipt of the dealer's modification of the dealer's succession plan. In the absence of a
203 breach of the manufacturer-dealer agreement, the manufacturer or distributor may object to the succession for the following
204 reasons only:

205 (1) Conviction of the successor of a felony or any crime of fraud, deceit, or moral turpitude;

206 (2) Bankruptcy or insolvency of the successor during the past 10 years;

207 (3) Prior termination by the manufacturer or distributor of the successor for breach of a dealer

208 agreement;

209 (4) The lack of an active line of credit for the successor sufficient to purchase the manufacturer's or
210 distributor's product; or

211 (5) The lack of a license for the successor required by law.

212 (d) A manufacturer or distributor has the burden of proof regarding its objection under subsection (c) of this

213 section. However, a family member may not succeed to a dealership if the succession involves, without the manufacturer's or

214 distributor's consent, a relocation of the business or an alteration of the terms and conditions of the manufacturer-dealer

215 agreement.

216 § 8407. Warranty obligations.

217 (a) A warrantor shall:

218 (1) Specify in writing to each of its dealers all dealer obligations, if any, for preparation, delivery,
219 and warranty service on its products;

220 (2) Compensate the dealer for performing warranty service required of the dealer by the warrantor;

221 and

222 (3) Provide the dealer with a schedule of compensation to be paid and the time allowances for the
223 performance of any work and service. The schedule of compensation must include reasonable compensation for
224 diagnostic work as well as for warranty labor.

225 (b) Time allowances for the diagnosis and performance of warranty labor must be reasonable for the work to
226 be performed. In the determination of what constitutes reasonable compensation under this section, the principal factors to
227 be given consideration are the actual wage rates being paid by the dealer, and the actual retail labor rate being charged by
228 the dealers in the community in which the dealer is doing business. The compensation of a dealer for warranty labor may
229 not be less than the lowest retail labor rates actually charged by the dealer for like nonwarranty labor, as long as such rates
230 are reasonable.

231 (c) A warrantor shall reimburse a dealer for warranty parts at actual wholesale cost plus a minimum 30-
232 percent handling charge and the cost, if any, of freight to return warranty parts to the warrantor.

233 (d) Warranty audits of dealer records may be conducted by the warrantor on a reasonable basis, and dealer
234 claims for warranty compensation may not be denied except for cause, such as performance of nonwarranty repairs,
235 material noncompliance with the warrantor's published policies and procedures, lack of material documentation, fraud, or
236 misrepresentation.

237 (e) A dealer shall submit warranty claims within 30 days after completing work.

238 (f) A dealer shall immediately notify a warrantor, verbally or in writing, if the dealer is unable to perform
239 any warranty repairs within 10 days of receipt of verbal or written complaints from a consumer.

240 (g) A warrantor shall disapprove warranty claims in writing within 30 days after the work is completed and
241 submitted by the dealer in the manner and form prescribed by the warrantor. Claims not specifically disapproved in writing
242 within 30 days are construed to be approved and must be paid within 45 days after the work is completed and the claim
243 submitted.

244 (h) It is a violation of this chapter for a warrantor to:

245 (1) Fail to perform any of its warranty obligations with respect to its warranted products;

246 (2) Fail to include, in written notices of factory campaigns to recreational vehicle owners and
247 dealers, the expected date by which necessary parts and equipment, including tires and chassis or chassis parts,
248 will be available to dealers to perform the campaign work. A warrantor may ship parts to a dealer to effect the
249 campaign work, and, if the parts are in excess of the dealer's requirements, the dealer may return unused parts to
250 the warrantor for credit after completion of the campaign;

251 (3) Fail to compensate any of its dealers for authorized repairs effected by the dealer of merchandise
252 damaged in manufacture or transit to the dealer, if the carrier is selected by the warrantor, factory branch,
253 distributor, or distributor branch;

254 (4) Fail to compensate any of its dealers in accordance with the schedule of compensation provided
255 to the dealer pursuant to this section, if performed in a timely and competent manner;

256 (5) Intentionally misrepresent in any way to purchasers of recreational vehicles that warranties with
257 respect to the manufacture, performance, or design of the vehicle are made by the dealer as warrantor or co-
258 warrantor; or

259 (6) Require a dealer to make warranties to customers in any manner related to the manufacture of
260 the recreational vehicle.

261 (i) It is a violation of this chapter for a dealer to:

262 (1) Fail to perform predelivery inspection functions, as specified by the warrantor, in a competent
263 and timely manner;

264 (2) Fail to perform warranty service work authorized by the warrantor in a competent and timely
265 manner on any transient customer's vehicle of the same line-make;

266 (3) Fail to accurately document the time spent completing each repair, the total number of repair
267 attempts conducted on a single unit, and the number of repair attempts for the same repair conducted on a single
268 vehicle;

269 (4) Fail to notify the warrantor within 10 days of a second repair attempt which impairs the use,
270 value or safety of the vehicle;

271 (5) Fail to maintain written records, including a consumer's signature, regarding the amount of time
272 a unit is stored for the consumer's convenience during a repair; or,

273 (6) Make fraudulent warranty claims or misrepresent the terms of a warranty.

274 § 8408. Indemnification.

275 Notwithstanding the terms of any manufacturer-dealer agreement, it is a violation of this chapter for:

276 (1) A warrantor to fail to indemnify and hold harmless its dealer against any losses or damages to
277 the extent that the losses or damages are caused by the negligence or willful misconduct of the warrantor. A dealer
278 may not be denied indemnification for failing to discover, disclose, or remedy a defect in the design or
279 manufacturing of a recreational vehicle. A dealer may be denied indemnification if the dealer fails to remedy a
280 known and announced defect in accordance with the written instructions of a warrantor for whom the dealer is
281 obligated to perform warranty service. A dealer shall provide to a warrantor a copy of any pending law suit in
282 which allegations are made that are covered by the provisions of this subsection within 10 days after receiving
283 such suit.

284 (2) A dealer to fail to indemnify and hold harmless its warrantor against any losses or damages to
285 the extent that the losses or damages are caused by the negligence or willful misconduct of the dealer. A warrantor
286 shall provide to a dealer a copy of any pending law suit or similar proceeding in which allegations are made that
287 come within this the provisions of subsection within 10 days after receiving such suit.

288 § 8409. Inspection and rejection by the dealer.

289 (a) If a new recreational vehicle is damaged prior to transit to a dealer or is damaged in transit to the dealer
290 when the carrier or means of transportation has been selected by the manufacturer or distributor, the dealer shall notify the
291 manufacturer or distributor of the damage within the timeframe specified in the manufacturer-dealer agreement and:

292 (1) Shall request from the manufacturer or distributor authorization to replace the components, parts,
293 and accessories damaged or to otherwise correct the damage; or

294 (2) Shall reject the vehicle within the timeframe set forth in subsection (d) of this section.

295 (b) If a manufacturer or distributor refuses or fails to authorize repair of damage pursuant to subsection (a) of
296 this section within ten days after receipt of notification, or if the dealer rejects the recreational vehicle because of damage,
297 ownership of the new recreational vehicle reverts to the manufacturer or distributor.

298 (c) A dealer shall exercise due care while the damaged recreational vehicle is in the dealer's custody, but the
299 dealer has no other obligations, financial or otherwise, with respect to the vehicle.

300 (d) The timeframe for inspection and rejection of a recreational vehicle by a dealer must be part of the
301 manufacturer-dealer agreement and may not be less than 2 business days after the physical delivery of the vehicle.

302 (e) A recreational vehicle that has, at the time of delivery to a dealer, an unreasonable amount of miles on its
303 odometer as determined by the dealer, may be subject to rejection by the dealer and reversion of the vehicle to the
304 manufacturer or distributor. In no instance may a dealer deem an amount less than the distance between the dealer and the
305 manufacturer's factory or a distributor's point of distribution, plus 100 miles, as unreasonable.

306 § 8410. Coercion of dealer prohibited.

307 (a) A manufacturer or distributor may not coerce or attempt to coerce a dealer to:

308 (1) Purchase a product that the dealer did not order;

309 (2) Enter into an agreement with the manufacturer or distributor; or

310 (3) Enter into an agreement that requires the dealer to submit its disputes to binding arbitration or
311 otherwise waive rights or responsibilities provided under this chapter.

312 (b) As used in this section, the term "coerce" includes, but is not limited to, threatening to terminate, cancel,
313 or not renew a manufacturer-dealer agreement without good cause; or threatening to withhold product lines that the dealer
314 is entitled to purchase pursuant to the manufacturer-dealer agreement; or threatening to delay product delivery as an
315 inducement to amending the manufacturer-dealer agreement.

316 § 8411. Mediation

317 (a) A dealer, manufacturer, distributor, or warrantor injured by another party's violation of this chapter may
318 bring a civil action to recover actual damages. The court may award reasonable attorney's fees and costs to the prevailing

319 party in such an action. Venue for any civil action authorized by this section is in the county in which the dealer's business
320 is located. In an action involving more than one dealer, venue may be in any county in which any dealer that is a party to
321 the action is located.

322 (b) Prior to bringing suit under this chapter, the plaintiff shall serve upon the offending party a written
323 demand for mediation. Mediation must take place in accordance with this section; Title 6, Chapter 77 does not apply.

324 (1) In the case of a manufacturer, distributor, or dealer, a demand for mediation must be served upon
325 the other party via certified mail at the address stated within the manufacturer-dealer agreement between the
326 parties. In the case of a different warrantor, the notice must be sent via certified mail to the address identified in
327 the warrantor's warranty, with a copy to the manufacturer or distributor.

328 (2) A demand for mediation must contain a brief statement of the dispute and the relief sought by
329 the party filing the demand.

330 (3) Within 20 days after the date on which a demand for mediation is served, the parties shall
331 mutually select an independent certified mediator and meet with that mediator for the purpose of attempting to
332 resolve the dispute. The meeting place must be in this State in a location selected by the mediator. The mediator
333 may extend the date of the meeting for good cause shown by either party or upon stipulation by both parties.

334 (4) The service of a demand for mediation under this section tolls the time for the filing of a
335 complaint, petition, protest, or other action under this chapter until representatives of both parties have met with a
336 mutually selected mediator for the purpose of attempting to resolve the dispute. If a complaint, petition, protest, or
337 other action is filed before meeting with the mediator, the court shall enter an order suspending the proceeding or
338 action until mediation has occurred, and, upon written stipulation by all parties to the proceeding or action that
339 they wish to continue to mediate under this section, the court shall enter an order suspending the proceeding or
340 action for as long a period as the court considers appropriate.

341 (5) The parties to the mediation shall bear their own costs for attorney's fees and divide equally the
342 cost of the mediator.

343 (c) In addition to the remedies provided in this section and notwithstanding the existence of any additional
344 remedy at law, a manufacturer, distributor, warrantor, or dealer may make application to a court of competent jurisdiction
345 for the grant, upon a hearing and for cause shown, of a temporary or permanent injunction, or both, restraining any person
346 from acting as a dealer without being properly licensed, from violating or continuing to violate any of the provisions of this
347 chapter, or from failing or refusing to comply with the requirements of this chapter. An injunction must be issued without

348 bond. A single act in violation of the provisions of this chapter is sufficient for a court to authorize the issuance of an
349 injunction.

350 Section 2. Amend Chapter 63, Title 21, Delaware Code by making insertions as shown by underlining and
351 deletions as shown by strikethrough as follows:

352 § 6301. Definitions.

353 As used in this chapter:

354 (1) "Consignment" is means when a vehicle owner enters into an agreement with a dealer for the sale of a vehicle
355 without a transfer of ownership to the dealer.

356 (2) "Dealer" or "~~Motor~~ Vehicle Dealer" includes:

357 a. A person, corporation, partnership, proprietorship or any other legal entity who is in the business of
358 buying, selling or exchanging during any 12-month period 5 or more vehicles; and/or

359 b. Any person, corporation, partnership, proprietorship or any other legal entity who offers to sell, sells,
360 displays or permits the display for sale, of 5 or more vehicles within a 12 month period.

361 (3) "Dealer" or "~~Motor~~ Vehicle Dealer" shall not include:

362 a. A receiver, trustee, personal representative, or other person appointed by or acting under the authority
363 of any court of competent jurisdiction;

364 b. A public official who sells or disposes of vehicles in the performance of the official's duties;

365 c. Any financial institution chartered or authorized to do business in Delaware, including its subsidiaries
366 or affiliates, which receives title to a ~~motor~~ vehicle in the normal course of its business by reason of a lease, foreclosure,
367 repossession, judicial sale or voluntary conveyance or reconveyance of the ~~motor~~-vehicle as a result of any lease of the
368 ~~motor~~ vehicle or any extension of credit secured by the ~~motor~~ vehicle or the enforcement of any lien on the ~~motor~~ vehicle;

369 d. A licensed auctioneer acting on behalf of a seller, secured party or owner if title does not pass to the
370 auctioneer and if the auction is not for the purpose of avoiding this chapter;

371 e. An insurance company authorized to do business in Delaware that sells or disposes of vehicles under a
372 contract with its insured in the regular course of business;

373 f. Either a manufacturer or distributor who sells or distributes vehicles to licensed dealers or a person
374 employed by a manufacturer or distributor to promote the sale of the vehicles of the manufacturer or distributor, if that
375 manufacturer, distributor or person does not sell vehicles to retail buyers;

376 g. A nonprofit educational foundation organized to promote instructional effectiveness and educational
377 achievement.

378 (4) "Department" shall mean the Department of Transportation, Division of Motor Vehicles.

379 (5) "Director" shall mean the Director of the Division of Motor Vehicles or the Director's authorized or
380 delegated representative.

381 (6) "Division" shall mean the Division of Motor Vehicles.

382 (7) "Franchised ~~Motor V~~ vehicle dealer" means a dealer in new vehicles that has a franchise agreement with a
383 manufacturer or distributor of vehicles or, in the case of a recreational vehicle dealer, has a manufacturer-dealer agreement
384 with a manufacturer or distributor to sell a particular line-make of recreation vehicle. As used in this section, the term,
385 "line-make" is defined in § 8402(6) of this title.

386 (8) "Vehicle" means motor vehicles, trailers, recreational vehicles, mobile homes, and any other device in, upon
387 or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by
388 animal power, human power, off-highway vehicles, special mobile equipment and farm equipment.

389 (9) "Wholesale ~~D~~ dealer" means a dealer who may sell vehicles only to another dealer or licensed auto auction.

390 § 6302. License requirements.

391 (a) Department approval. -- No person, corporation, partnership, proprietorship or any other legal entity shall carry on or
392 conduct the business of buying, selling or dealing in new or used vehicles unless issued a dealers license by the
393 Department.

394 (b) Application -- Application for a dealers license shall be made upon the form prescribed by the Department and shall
395 contain the name and address of the applicant. When the applicant is a partnership the name and address of each partner
396 shall appear on the application. When the application is a corporation, the names of the principal officers of the corporation,
397 the state in which incorporated, the place or places where the business is to be conducted and such other information as may
398 be required by the Department shall appear on the application. Every such application shall contain a certification by the
399 applicant that the information provided is true and accurate to the best of the applicant's knowledge.

400 (c) Resident requirements. -- The owner of a dealership must have been issued a Delaware drivers license and
401 established residency in Delaware at least 90 days prior to the time of application. Franchised and new vehicle dealers are
402 exempted from this requirement.

403 (d) Fee. -- No fee for a license is charged by the Department. However, all dealerships must obtain a yearly dealer
404 business license from the Department of Finance, Division of Revenue. Wholesale dealers shall also obtain an additional
405 wholesale license pursuant to § 6307 of this title. The business license(s) must be kept at the business location and be
406 available for inspection by the Department.

407 § 6303. Location requirements; ~~and~~ records.

408 (a) Except as provided in § 6311(b), no dealers license shall be issued to any vehicle dealer unless the dealership has an
409 established place of business in Delaware that is owned, rented, or leased by the dealership and which:

410 (1) Satisfies all local zoning requirements. Zoning approval shall be submitted to the Division when the
411 application is submitted;

412 (2) Has sales and office space devoted to the dealership and has adequate display space for 5 or more vehicles,
413 and, in the case of a new recreational vehicle dealer, has a service facility;

414 (3) Has a telephone installed in the office and listed in the business name;

415 (4) Has adequate liability insurance as required by § 2118 of this title;

416 (5) Has a sign on the premises measuring at least 24 x 36 inches which lists the dealership's approved name.

417 (b) The dealership office shall maintain and have adequate file cabinets to maintain records required by the Department.
418 All dealer records regarding purchases, sales, transfers of ownership, collection of vehicle document fees, titling,
419 registration fees, odometer disclosure statements, temporary license plates and records of dealer registration plates assigned
420 to the dealer shall be maintained on the premises of the licensed location. All records shall be maintained for a minimum of
421 5 years. The Director may, on written request by a dealer, permit records to be maintained at a location other than the
422 premises of the licensed location for good cause shown.

423 (c) Every dealer shall have in its possession a certificate of title assigned to the dealership or other documentary
424 evidence of the dealer's right to the possession of, and for, every ~~motor~~ vehicle in the dealership's possession or on the
425 dealership premises.

426 (d) During business hours, the records of the dealership shall be open to inspection by Department officials, any police
427 officer or any duly authorized investigator at the Department of Justice while discharging their official duties.

428 § 6304. Expiration and renewal of license.

429 Each license issued under this title shall expire at midnight on December 31st of the period for which it was issued and
430 may be renewed upon application to the Department prior to its expiration. Dealers who have not sold a minimum of 5
431 vehicles between January 1st and December 31st of each year shall be denied license renewal. The Director of the Division
432 of Motor Vehicles may, on written request by a dealer, permit renewal of a dealers license for dealers selling less than 5
433 vehicles for good cause shown in writing to the Department.

434 § 6305. Bill of sale.

435 Every ~~motor~~ vehicle dealer shall complete, in duplicate, a bill of sale for each sale or exchange of a ~~motor~~ vehicle. The
436 original shall be retained for a period of 5 years. A duplicate copy shall be delivered to the purchaser at the time of sale or
437 exchange. The bill of sale shall be signed by both buyer and seller. A bill of sale shall include the following:

- 438 (1) The name and address of the person to whom the vehicle was sold or traded;
439 (2) The date of the sale or trade;
440 (3) The name and address of the ~~motor~~ vehicle dealer selling or trading the vehicle;
441 (4) The make, model, year, vehicle identification number and body style of the vehicle;
442 (5) The sale price of the vehicle;
443 (6) The amount of any deposit made by the buyer;
444 (7) A description of any Delaware titled vehicle used as a trade-in and the amount credited the buyer for the
445 trade-in;
446 (8) The amount of the document fee, title fee, registration fee or any other fee for which the buyer is responsible
447 and the dealer has collected; each fee shall be individually listed and identified; and
448 (9) The amount of any balance due at settlement.

449 § 6306. Consignment vehicles contract.

450 (a) Any ~~motor~~ vehicle dealer offering a vehicle for sale on consignment shall have in their possession a consignment
451 contract for the vehicle, executed and signed by the dealer and the consignor. The consignment contract shall include the
452 following:

- 453 (1) The complete name and address of the owner(s);
454 (2) The name, address and dealer identification number of the selling dealer;
455 (3) A complete description of the vehicle on consignment, including the make, model, year, vehicle
456 identification number and body style;
457 (4) The beginning and termination dates of the contract;
458 (5) The percentage or the net amount the owner is to receive, if the vehicle is sold;
459 (6) A disclosure of all unsatisfied liens on the vehicle and the location of the certificate of title to the vehicle.

460 (b) Any dealer offering a vehicle for sale on consignment shall inform any prospective customer that the vehicle is on
461 consignment. Dealer license plates shall not be used to demonstrate a vehicle on consignment. The owners license plate
462 may be used if liability insurance coverage is in effect in the amount prescribed by Delaware law.

463 § 6307. Wholesale Dealers.

464 (a) A wholesale dealer who is licensed by the Division is authorized to do the following:

- 465 (1) Buy a vehicle from another dealer, a licensed auto auction or retail seller;
466 (2) Sell a vehicle to, or exchange vehicles only with another dealer or through a licensed auto auction;

467 (3) A wholesale dealer may operate from a private residence and is not required to comply with §§ 6303(a)(2)
468 and (5) of this title.

469 (b) A wholesale dealer may not:

470 (1) Sell or exchange vehicles with a retail buyer; and

471 (2) Buy, sell or exchange new vehicles; and

472 (3) Sell vehicles on consignment.

473 § 6308. Auctions.

474 (a) Each person who conducts auctions of vehicles shall keep a record of each of the following:

475 (1) The name and address of the consignor or seller;

476 (2) The date on which the vehicle was consigned;

477 (3) The year, make, model and vehicle identification number of each vehicle consigned;

478 (4) The title number and State where the vehicle was last registered;

479 (5) The odometer mileage reading at the time of consignment, except for folding camping trailers, travel trailers,
480 and fifth-wheel trailers;

481 (6) The name and address of the person to whom the vehicle was sold;

482 (7) The buyer's driver's license number and state which issued the license;

483 (8) The selling price; and

484 (9) The date of sale.

485 (b) During business hours, auction records shall be open for inspection by Division of Motor Vehicle officials, any
486 police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.

487 (c) Auction sales must be performed at the approved auction location.

488 (d) All records required by this section shall be maintained for 5 years after the sale of the vehicle to which such records
489 apply.

490 (e) Auctions are authorized to issue 30-day temporary license plates under § 2130 of this title to allow vehicles to be
491 removed from the auction lot. The temporary plates shall only be issued to individuals with a valid driver's license. The
492 auction shall witness and record proof of any legally required liability insurance on a vehicle prior to the issuance of the
493 temporary license plate.

494 § 6309. Prohibited acts.

495 (a) A dealer, its agent or an employee of a dealer may not permit any individual to road test a motor vehicle if they
496 know the individual does not have a valid driver's license.

497 (b) A dealer or an agent or employee of a dealer may not commit any fraud in the execution of, or any material
498 alteration of, a contract, power of attorney or other document incident to a sale or exchange of a vehicle.

499 (c) A dealer or an agent or employee of a dealer may not willfully fail to comply with the terms of a warranty or
500 guarantee. A Federal Trade Commission Buyers Guide will be properly completed and displayed on all used vehicles.
501 Buyer(s) will be provided a copy of the Guide prior to completion of the sale.

502 (d) A dealer or agent of a dealer must disclose to a buyer if the vehicle title has been branded "reconstructed", "flood
503 damaged", "salvage" or was a "taxi". The buyer(s) shall acknowledge the disclosure as described in this paragraph by
504 signing a disclosure statement which has been approved by the Division of Motor Vehicles and is provided by the
505 dealership. A copy of the disclosure statement shall be provided to the Delaware Division of Motor Vehicles with the title
506 application. In the absence of any disclosure statement, the contract may be rescinded at any time by the buyer and the
507 dealer shall provide a full and complete refund to the buyer of all purchase moneys, including interest paid, plus all fees
508 paid. Disclosure shall not prevent any person from otherwise bringing any action under any law for a failure to disclose
509 material information concerning the condition or prior use of any vehicle.

510 § 6310. Acts of officers, directors, partners, and sales persons.

511 If a licensee is a partnership or corporation, it shall be sufficient cause for the denial or suspension of a license if any
512 officer, director or trustee of the partnership or corporation, or any member in the case of a partnership, has committed any
513 act or omitted any duty which would be cause for denial or suspending a license issued to him or her as an individual under
514 this chapter. Each licensee shall be responsible for all acts of any of their salespersons while acting as their agent, if the
515 licensee approved of those acts or had knowledge of those acts or other similar acts and after such knowledge retained the
516 benefit, proceeds, profits or advantages accruing from those acts.

517 § 6311. License requirements.

518 (a) In the event any dealer intends to change a licensed location, the dealer shall provide the Division of Motor
519 Vehicles advance written notice. A successful inspection of the new location shall be required prior to approval of a change
520 of location by the dealer. All requirements of § 6303 of this title shall be completed prior to final approval.

521 (b) Notwithstanding anything herein to the contrary, a recreational vehicle dealer may sell and display new and used
522 recreational vehicles at trade or public retail vehicle shows, rallies, or exhibitions, including those in enclosed malls, for up
523 to 14 days per event, provided that:

524 (1) Delaware recreational vehicle dealers outside of their "area of sales responsibility," as the term
525 is defined in § 8402(1) of this title, do not exhibit, sell, or offer for sale the same line-make of recreational vehicle
526 as a Delaware dealer whose area of sales responsibility encompasses the location of the recreational vehicle trade

527 show or public retail vehicle show, or rally or exhibition, where the term "line-make" has the same meaning as
528 defined in § 8402(6) of this title; and without the written permission of the dealer whose area of responsibility
529 encompasses the show, rally, or exhibition site;

530 (2) An out-of-state recreational vehicle dealer, without an established place of business in Delaware,
531 must meet all of the following conditions:

532 (i) The dealer must be from a state contiguous to Delaware that permits Delaware dealers
533 to participate in recreational vehicle trade shows, or public retail vehicle shows, or rallies, or exhibitions,
534 including those in enclosed malls, in the dealer's state under conditions substantially equivalent to those
535 imposed on out-of-state dealers by Delaware;

536 (ii) The dealer must be in compliance with the laws of the dealer's state of residence;

537 (iii) The recreational vehicle trade show or public retail vehicle show, or rally, or exhibition
538 in which the dealer is participating must have a minimum of three (3) participating dealers, the majority
539 of which are from Delaware;

540 (iv) The dealer may not exhibit, sell, or offer for sale the same line-make of recreational
541 vehicle as a Delaware dealer who is participating in the same recreational vehicle trade show or public
542 retail vehicle show, rally, or exhibition without the Delaware dealer's written permission, where the term
543 "line-make" has the same meaning as defined in § 8402(6) of this title; and

544 (v) The dealer must secure a temporary license from the Division of Motor Vehicles, with
545 an effective time period of not more than 14 days, authorizing the dealer's participation in the recreational
546 vehicle trade show, or public retail vehicle show, or rally or exhibition. The dealer will be limited to one
547 temporary license per calendar year.

548 § 6312. Issuance of dealer license.

549 ~~The Department, u~~ Upon receiving an dealer license application for approval, and ~~when~~ satisfied that the applicant is of
550 good character and, so far as can be ascertained, the applicant has complied with and will comply with, the laws of this and
551 other states, the Department shall approve the application and issue a dealer license. ~~The approval shall~~ A license entitles
552 ~~the a~~ dealer to carry on and conduct the business of a dealer during the calendar year in which ~~approval~~ the license is
553 issued. Franchised new vehicle dealers must provide the Division a copy of the franchise agreement, or, in the case of a
554 recreational vehicle dealer, a manufacturer-dealer agreement, prior to being licensed as a new vehicle dealer.

555 § 6313. Grounds for denying renewal of dealer license; ~~or~~ suspension or revocation of license.

556 A dealer license applied for or issued pursuant to this chapter may be denied, suspended, or revoked for any one of the
557 following reasons:

558 (1) Material misstatement or omission on the application for a dealer license.

559 (2) Failure to maintain an established place of business, business phone or Division of Revenue Dealer Business
560 License.

561 (3) Failure to comply subsequent to receipt from the Division of a cease and desist order; or a written warning or
562 arrest; or failure to comply with this title and Title 30.

563 (4) Conviction of the dealership of any fraudulent or criminal act in violation of Title 11 in connection with the
564 business of selling vehicles.

565 (5) Failure to maintain a service facility, if the licensee is a dealer of new recreational vehicles. Recreational
566 vehicle dealers with multiple locations in Delaware may maintain a service facility at one location to satisfy this
567 requirement.

568 § 6314. Suspension and hearing notices.

569 (a) No license issued under this title shall be suspended, revoked or renewal thereof refused, until a written copy of the
570 complaint made has been furnished to the licensee against whom the same is directed. The written notice of complaint shall
571 be sent to the licensee by certified mail, return receipt requested, addressed to the last known address as shown on the
572 license or dealership application or other record of information in possession of the Division. The written notice shall
573 inform the licensee of the following:

574 (1) This Division's intention to suspend, revoke or deny renewal of the dealership license.

575 (2) The nature of the complaint and the law or regulation allegedly violated by the dealership.

576 (3) The notice shall cite the law or regulation giving the Division authority to act.

577 (4) The notice shall inform the dealer of its right to request a hearing to dispute the complaint. The hearing must
578 be requested within 10 days from earlier of the dates that the dealer received the certified letter or the Division received the
579 return receipt on the certified letter.

580 (5) The notice shall inform the dealer of its right to present evidence, to be represented by counsel and to appear
581 personally or by other representative at the hearing.

582 (b) The Division shall inform a dealer requesting a hearing of the date, time and place the hearing shall be held. The
583 notification shall be provided by certified mail, return receipt requested, and shall give at least 20 days prior notice to all
584 parties involved, unless waived by the dealer. The notice shall inform the parties of the Division's obligation to reach its
585 decision based upon the evidence received.

586 (c) The Division Director or designated representative may order a temporary emergency dealer license suspension. Any
587 suspension issued under this subsection shall be exempt from the provisions required in subsections (a) and (b) of this
588 section, except as provided herein.

589 The following guidelines shall apply for this temporary suspension.

590 (1) If a dealer has 5 outstanding violations of §§ 2306(e) and/or 2509 of this title for not submitting a buyer's
591 vehicle title application to the Division within the required 30 days from the date of sale; and

592 (2) A dealer has been provided 5 days written notice by the Division to submit the required paperwork but has
593 failed to comply, then the Division will place a temporary emergency dealer license suspension notice on or near the
594 entrance of the dealer's place of business to notify potential buyers that the dealer's license is temporarily suspended.

595 (3) Unauthorized removal of the notice or failure to comply with the temporary emergency dealer license
596 suspension order may result in the immediate permanent suspension of the dealer's license, after notice and an opportunity
597 for a hearing under subsections (a) and (b) of this section.

598 (4) The temporary emergency dealer license suspension will be lifted by the Division when the required vehicle
599 title applications and payments are submitted to the division.

600 (5) A dealer who fails to submit the required vehicle title applications and payments within 10 days after
601 receiving a temporary emergency dealer license suspension may have its dealer license permanently suspended, after notice
602 and an opportunity for a hearing under subsections (a) and (b) of this section.

603 § 6315. Hearings.

604 (a) If the Division refuses an application for a license, denies a renewal of a license or proposes the suspension or
605 revocation of a dealer's license, the Division shall provide a hearing when requested under § 6314 of this title. At the
606 hearing the licensee shall have the right to be heard personally, by counsel or by its agent. The Director may initiate
607 investigations, appoint a hearing officer and subpoena witnesses. After the hearing, the Director, upon receiving a decision
608 from the hearing officer upholding the Division's position, may suspend or revoke a dealers license, deny a renewal or
609 refuse to approve an application. The Director shall consider prior to any suspension, revocation, denial of renewal or
610 refusal to approve an application:

611 (1) The nature of the violation(s) and the dealer's willingness to make restitution to all parties harmed by
612 dealership actions.

613 (2) The effect of the proposed action on the community.

614 The Director shall provide written notice to all parties involved of the decision by certified mail, return receipt
615 requested. The decision is appealable to the Superior Court. Any appeal must be filed within 30 days of the earlier of the
616 receipt of the decision by the dealer or the date of receipt of the return receipt by the Division.

617 (b) Should a dealer fail to maintain an established place of business, the Division may cancel the license without a
618 hearing after notification of the intent to cancel has been sent by certified mail, to the dealer at the dealer's residence and
619 business addresses, and the notices are returned undelivered or the dealer does not respond within 20 days from the date the
620 notices were sent.

621 § 6316. Return of license, dealer number plates, temporary license plates, and dealer reassignment forms.

622 If the Division suspends, revokes or denies the renewal of the license of any dealer licensed under this chapter, the
623 dealer immediately shall return the license, dealer number plates, temporary license plates and dealer reassignment forms
624 belonging to the dealer. The Division may grant the licensee up to 30 days to dispose of vehicles belonging to the dealer.

625 § 6317. Cease and desist orders and injunctive relief.

626 In addition to the legal remedies provided for in this chapter, the Division of Motor Vehicles is authorized to issue cease
627 and desist orders to any person, corporation, partnership, proprietorship or other legal entity who violates this chapter. The
628 Division is also authorized to file a complaint for injunctive relief with the Court of Chancery upon notice that a cease and
629 desist order is violated. The Chancery Court is authorized to award attorney fees and costs to the Division if a preliminary
630 or permanent injunction is granted by the court. Nothing herein shall prevent the Attorney General from seeking any other
631 civil remedy or criminal sanction for any conduct constituting a violation of this chapter.

632 § 6318. Penalties.

633 (a) Whoever violates any provision of this chapter shall be guilty of an unclassified misdemeanor and shall be fined not
634 less than \$50 nor more than \$575.

635 (b) Subsection (a) of this section shall not apply to violations for which penalties are prescribed elsewhere in this
636 title.

637 Section 3. Amend Chapter 30, Title 30 of the Delaware Code by making insertions as shown by underlining and
638 deletions as shown by strikethrough as follows:

639 § 3005. ~~Motor v~~ Vehicle dealer license fee.

640 (a) Every ~~motor~~ vehicle dealer, including recreational vehicle dealers, shall pay an annual license fee of \$100 to the
641 Department of Finance; ~~provided however, that no dealer license fee shall be applicable for out of state new recreational~~
642 ~~dealers at industry wide public vehicle shows or exhibitions at enclosed malls in this State when such out of state new~~
643 ~~recreational dealers participate as exhibitors with permission of the licensed manufacturer; and further provided, that:~~

644 (1) ~~Reciprocity is granted to such recreational dealers of this State; and~~

645 (2) ~~Providing that any participating out-of-state new recreational dealer is duly licensed and authorized by the~~
646 ~~state of residence to sell new recreational vehicles.~~

647 Section 4. Severability. If any provision of this Act or the application thereof to any person or circumstance is
648 held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the
649 invalid provision or application and, to this end, the provisions of this Act are declared severable.

650 Section 5. Effective date. This act takes effect on July 1, 2013.

SYNOPSIS

This bill establishes requirements and definitions for recreational vehicle manufacturer-dealer agreements. It also removes the exception to the \$100 license fee for out-of-state recreational vehicle dealers at shows or exhibitions at enclosed malls. Finally, it updates the current Sale of Motor Vehicles laws to incorporate a new Recreational Vehicle Franchise law.