

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

SECOND REGULAR SESSION-2010

Legislative Document

No. 1683

S.P. 655

In Senate, January 6, 2010

**An Act Regarding the Law Governing Recreational Vehicle
Manufacturers, Distributors and Dealers**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator SCHNEIDER of Penobscot.
Cosponsored by Representative: SMITH of Monmouth.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 10 MRSA §1171, sub-§11**, as amended by PL 1997, c. 473, §1, is further
3 amended to read:

4 **11. Motor vehicle.** "Motor vehicle" means any ~~motor-driven vehicle~~ motor-driven
5 vehicle, except motorcycles and recreational vehicles defined under section 1432,
6 subsection 18-A, required to be registered under Title 29-A, chapter 5.

7 **Sec. 2. 10 MRSA §1361, sub-§8**, as amended by PL 1997, c. 427, §1, is further
8 amended to read:

9 **8. Goods.** "Goods" means residential, recreational, agricultural, farm, commercial or
10 business equipment, machinery or appliances that use electricity, gas, wood, a petroleum
11 product or a derivative of a petroleum product for operation. "Goods" does not include
12 motor vehicles as defined in section 1171, subsection 11 and recreational vehicles as
13 defined in section 1432, subsection ~~18~~ 18-A.

14 **Sec. 3. 10 MRSA §1432, sub-§1-A** is enacted to read:

15 **1-A. Area of sales responsibility.** "Area of sales responsibility" means the
16 geographical area agreed to by the dealer and the manufacturer in the dealer agreement
17 within which the dealer has the exclusive right to display or sell the manufacturer's new
18 recreational vehicles of a particular line make to the retail public.

19 **Sec. 4. 10 MRSA §1432, sub-§2**, as enacted by PL 1997, c. 427, §2, is amended
20 to read:

21 **2. Dealer.** "Dealer" means a person, firm, corporation or business entity licensed or
22 required to be licensed under Title 29-A, including a recreational vehicle dealer to whom
23 a dealer agreement is offered or granted.

24 **Sec. 5. 10 MRSA §1432, sub-§8-A** is enacted to read:

25 **8-A. Factory campaign.** "Factory campaign" means an effort on the part of a
26 warrantor to contact recreational vehicle dealers or owners in order to address a part or
27 equipment issue.

28 **Sec. 6. 10 MRSA §1432, sub-§10**, as enacted by PL 1997, c. 427, §2, is amended
29 to read:

30 **10. Fifth-wheel trailer.** "Fifth-wheel trailer" means a ~~trailer~~ vehicle mounted on
31 wheels designed to provide temporary living quarters for recreational, camping or travel
32 use, of such size or weight as not to require special highway movement permits and
33 designed to be towed by a motor vehicle that contains a towing mechanism mounted
34 above or forward of the tow vehicle's rear axle.

35 **Sec. 7. 10 MRSA §1432, sub-§10-A** is enacted to read:

1 **10-A. Folding camping trailer.** "Folding camping trailer" means a vehicle mounted
2 on wheels and constructed with collapsible partial side walls that fold for towing by
3 another vehicle and unfold to provide temporary living quarters for recreational, camping
4 or travel use.

5 **Sec. 8. 10 MRSA §1432, sub-§12-A** is enacted to read:

6 **12-A. Line make.** "Line make" means a specific series of recreational vehicles that:

7 A. Are identified by a common series trade name or trademark;

8 B. Are targeted to a particular market segment, as determined by their decor,
9 features, equipment, size, weight and price range;

10 C. Have lengths and interior floor plans that distinguish the recreational vehicles
11 from other recreational vehicles with substantially the same decor, equipment,
12 features, equipment, size, weight and price range;

13 D. Belong to a single, distinct classification of recreational vehicle types having a
14 substantial degree of commonality in the construction of the chassis, frame and body;
15 and

16 E. A dealer agreement authorizes a dealer to sell.

17 **Sec. 9. 10 MRSA §1432, sub-§13-A** is enacted to read:

18 **13-A. Motor home.** "Motor home" means a motor vehicle designed to provide
19 temporary living quarters for recreational, camping or travel use that contains at least 4 of
20 the following as permanently installed independent systems that meet the National Fire
21 Protection Association standard for recreational vehicles:

22 A. A cooking facility with an on-board fuel source;

23 B. A potable water supply system that includes at least a sink, a faucet and a water
24 tank with an exterior service supply connection;

25 C. A toilet with exterior evacuation;

26 D. A gas or electric refrigerator;

27 E. A heating or air-conditioning system with an on-board power or fuel source
28 separate from the vehicle engine; and

29 F. A 110-volt to 125-volt electric power supply.

30 **Sec. 10. 10 MRSA §1432, sub-§16-A** is enacted to read:

31 **16-A. Proprietary part.** "Proprietary part" means a part manufactured by or for the
32 manufacturer and sold exclusively by the manufacturer.

33 **Sec. 11. 10 MRSA §1432, sub-§18,** as enacted by PL 1997, c. 427, §2, is
34 repealed.

35 **Sec. 12. 10 MRSA §1432, sub-§18-A** is enacted to read:

1 **18-A. Recreational vehicle.** "Recreational vehicle" means a vehicle that is either
2 self-propelled or towed by a consumer-owned tow vehicle, is primarily designed to
3 provide temporary living quarters for recreational, camping or travel use, complies with
4 all applicable federal vehicle regulations and does not require special highway movement
5 permits to legally use the highways. "Recreational vehicle" includes motor homes, travel
6 trailers, fifth-wheel trailers and folding camping trailers.

7 **Sec. 13. 10 MRSA §1432, sub-§19-A** is enacted to read:

8 **19-A. Supplier.** "Supplier" means a person, firm, corporation or business entity that
9 engages in the manufacture of recreational vehicle parts, accessories or components.

10 **Sec. 14. 10 MRSA §1432, sub-§20-A** is enacted to read:

11 **20-A. Transient customer.** "Transient customer" means a customer who is
12 temporarily traveling through an area of sales responsibility.

13 **Sec. 15. 10 MRSA §1432, sub-§21,** as enacted by PL 1997, c. 427, §2, is
14 amended to read:

15 **21. Travel trailer.** "Travel trailer" means a trailer vehicle mounted on wheels
16 designed to provide temporary living quarters for recreational, camping or travel use, of
17 such size or weight as not to require special highway movement permits when towed by a
18 motor vehicle.

19 **Sec. 16. 10 MRSA §1432, sub-§23** is enacted to read:

20 **23. Warrantor.** "Warrantor" means a person, firm, corporation or business entity,
21 including a manufacturer or supplier, that provides a written warranty to the customer in
22 connection with a new recreational vehicle or parts, accessories or components of a new
23 recreational vehicle. For purposes of this subsection, "written warranty" does not include
24 service contracts, mechanical or other insurance or extended warranties sold for separate
25 consideration by a dealer or other person not controlled by a manufacturer.

26 **Sec. 17. 10 MRSA §1434, sub-§3, ¶J,** as enacted by PL 1997, c. 427, §2, is
27 amended to read:

28 J. To compete with a recreational vehicle dealer operating under an agreement or
29 dealer agreement from the manufacturer in a relevant market area that has been
30 determined exclusively by equitable principles. A manufacturer is not considered to
31 be competing when operating a dealership either temporarily for a reasonable period
32 not to exceed ~~one year~~ 3 years or in a bona fide relationship in which an independent
33 person has made a significant investment subject to loss in the dealership and can
34 reasonably expect to acquire full ownership of the dealership on reasonable terms and
35 conditions;

36 **Sec. 18. 10 MRSA §1434-A** is enacted to read:

1 **§1434-A. Termination, cancellation and nonrenewal of a dealer agreement**

2 **1. Termination; cancellation; nonrenewal.** A manufacturer or distributor, directly
3 or through an authorized officer, agent or employee, may terminate, cancel or fail to
4 renew a dealer agreement with or without good cause. If the manufacturer or distributor
5 terminates, cancels or fails to renew the dealer agreement without good cause, the
6 manufacturer or distributor must comply with subsection 4. The manufacturer or
7 distributor has the burden of showing good cause for terminating, canceling or failing to
8 renew a dealer agreement. For purposes of determining whether there is good cause for
9 the proposed action, any of the following factors may be considered in a proceeding:

10 A. The extent of the affected dealer's penetration in the area of sales responsibility;

11 B. The nature and extent of the dealer's investment in the dealer's business;

12 C. The adequacy of the dealer's service facilities, equipment, parts, supplies and
13 personnel;

14 D. The effect of the proposed action on the community;

15 E. The extent and quality of the dealer's service under recreational vehicle
16 warranties;

17 F. The failure to follow agreed-upon procedures or standards related to the overall
18 operation of the dealership; and

19 G. The dealer's performance under the terms of its dealer agreement.

20 **2. Notice to dealer; requirements.** Except as otherwise provided in this section, a
21 manufacturer or distributor shall provide a dealer with at least 90 days' prior written
22 notice of termination, cancellation or nonrenewal of a dealer agreement if the dealer
23 agreement is being terminated for good cause.

24 A. A notice under this subsection must state all reasons for the proposed termination,
25 cancellation or nonrenewal and must further state that if, within 30 days following
26 receipt of the notice, the dealer provides to the manufacturer or distributor a written
27 notice of intent to cure all claimed deficiencies, the dealer will then have 90 days
28 following the manufacturer's or distributor's receipt of the notice to cure the
29 deficiencies. If the deficiencies are cured within 90 days, the manufacturer's or
30 distributor's notice is voided. If the dealer fails to provide the notice of intent to cure
31 the deficiencies in the prescribed time period, the termination, cancellation or
32 nonrenewal takes effect 30 days after the dealer's receipt of the notice unless the
33 dealer has new and untitled inventory on hand that may be disposed of pursuant to
34 subsection 4.

35 B. The notice period under this subsection may be reduced to not less than 30 days'
36 prior written notice of termination, cancellation or nonrenewal if good cause exists.
37 Good cause exists for purposes of this paragraph when:

38 (1) A dealer or one of its owners is convicted of or enters a plea of nolo
39 contendere to murder or a Class A, Class B or Class C crime for which a sentence
40 of imprisonment of one year or more is imposed under Title 17-A, section 1251
41 or 1252;

1 (2) A dealer abandons or closes the dealer's business operations for 10
2 consecutive business days unless the closing is due to an act of God, strike, labor
3 difficulty or other cause over which the dealer has no control;

4 (3) There is a significant misrepresentation by the dealer materially affecting the
5 business relationship between the dealer and the manufacturer or distributor;

6 (4) The dealer's license has been suspended or revoked or has not been renewed;

7 (5) The dealer commits a material violation of this chapter that is not cured
8 within 30 days after receipt of a written notice by the manufacturer or distributor;

9 (6) There is a declaration by the dealer of bankruptcy or insolvency or the
10 occurrence of an assignment for the benefit of creditors or bankruptcy; or

11 (7) A dealer fails to notify in writing the manufacturer or distributor at least 30
12 days prior to entering into a dealer agreement with a manufacturer or distributor
13 of a competing, similar line make.

14 The notice requirements of this paragraph do not apply if the reason for termination,
15 cancellation or nonrenewal is the dealer's insolvency, the occurrence of an
16 assignment for the benefit of creditors or the dealer's bankruptcy.

17 **3. Notice to manufacturer or distributor; requirement.** A dealer may terminate,
18 cancel or refuse to renew a dealer agreement with or without good cause by giving 30
19 days' written notice to the manufacturer or distributor.

20 A. If the termination, cancellation or refusal to renew is for good cause, the notice
21 must state all reasons for the proposed termination, cancellation or nonrenewal and
22 must further state that if, within 30 days following receipt of the notice, the
23 manufacturer or distributor provides to the dealer a written notice of intent to cure all
24 claimed deficiencies, the manufacturer or distributor will then have 90 days following
25 receipt of the original notice to cure the deficiencies. If the deficiencies are cured
26 within 90 days, the dealer's notice is voided. If the manufacturer or distributor fails to
27 provide the notice of intent to cure the deficiencies in the time period prescribed in
28 the original notice of termination, cancellation or nonrenewal, the pending
29 termination, cancellation or nonrenewal takes effect 30 days after the manufacturer's
30 or distributor's receipt of the original notice.

31 B. If the dealer terminates, cancels or fails to renew the dealer agreement without
32 good cause, subsection 4 does not apply. If the dealer terminates, cancels or fails to
33 renew the dealer agreement with good cause, subsection 4 applies. The dealer has the
34 burden of showing good cause.

35 C. For purposes of this subsection, good cause for termination, cancellation or
36 nonrenewal exists when:

37 (1) A manufacturer or distributor is convicted of, or enters a plea of nolo
38 contendere to, murder or a Class A, Class B or Class C crime for which a
39 sentence of imprisonment of one year or more is imposed under Title 17-A,
40 section 1251 or 1252;

41 (2) The business operations of the manufacturer or distributor have been
42 abandoned or closed for 10 consecutive business days, unless the closing is due

1 to an act of God, strike, labor difficulty or other cause over which the
2 manufacturer or distributor has no control;

3 (3) There is a significant misrepresentation by the manufacturer or distributor
4 materially affecting the business relationship between the dealer and the
5 manufacturer or distributor;

6 (4) The manufacturer or distributor commits a material violation of this chapter
7 that is not cured within 30 days after receipt of a written notice by the dealer; or

8 (5) There is a declaration by the manufacturer or distributor of bankruptcy or
9 insolvency or the occurrence of an assignment for the benefit of creditors or
10 bankruptcy.

11 **4. Repurchase of inventory.** If the dealer agreement is terminated, canceled or not
12 renewed by the manufacturer or distributor without good cause, or if the dealer terminates
13 or cancels the dealer agreement for good cause and the manufacturer or distributor fails to
14 cure the claimed deficiencies, the manufacturer or distributor shall, at the election of the
15 dealer and within 45 days after termination, cancellation or nonrenewal, repurchase:

16 A. All new, untitled recreational vehicles that were acquired from the manufacturer
17 or distributor within 12 months before the effective date of the termination,
18 cancellation or nonrenewal that have not been used, except for demonstration
19 purposes, and that have not been altered or damaged, at 100% of the net invoice cost,
20 including transportation, less applicable rebates and discounts to the dealer. If any of
21 the vehicles repurchased pursuant to this subsection are damaged, but do not trigger a
22 consumer disclosure requirement, the amount due the dealer is reduced by the cost to
23 repair the vehicle. Damage prior to delivery to the dealer that is disclosed at the time
24 of delivery does not disqualify repurchase under this paragraph;

25 B. All undamaged accessories and proprietary parts sold to the dealer for resale
26 within the 12 months prior to termination, cancellation or nonrenewal, if
27 accompanied by the original invoice, at 105% of the original net price paid to the
28 manufacturer or distributor to compensate the dealer for handling, packing and
29 shipping the accessories or parts; and

30 C. All properly functioning diagnostic equipment, special tools, current signs and
31 other equipment and machinery at 100% of the dealer's net cost plus freight,
32 destination, delivery and distribution charges and sales taxes, if any, if purchased by
33 the dealer within 5 years before termination, cancellation or nonrenewal upon the
34 manufacturer's or distributor's request and the dealer establishes that the items can no
35 longer be used in the normal course of the dealer's ongoing business. The
36 manufacturer or distributor shall pay the dealer within 30 days after receipt of the
37 returned items.

38 **Sec. 19. 10 MRSA §1437, sub-§1, ¶A,** as enacted by PL 1997, c. 427, §2, is
39 amended to read:

40 A. Any designated family member of a deceased or incapacitated new recreational
41 vehicle dealer who has been designated as successor to that dealer in writing to the
42 manufacturer may succeed the dealer in the ownership or operation of the dealership
43 under the existing dealer agreement or distribution agreement if the designated family

1 member gives the manufacturer of new recreational vehicles a written notice of the
2 intention to succeed to the dealership within ~~120~~ 30 days of the dealer's death or
3 incapacity. The designated family member may not succeed the dealer if there exists
4 good cause for refusal to honor the succession on the part of the manufacturer.

5 **Sec. 20. 10 MRSA §1437, sub-§2, ¶A**, as enacted by PL 1997, c. 427, §2, is
6 amended to read:

7 A. If a manufacturer, distributor, factory branch, factory representative or importer
8 believes that good cause exists for refusing to honor the succession to the ownership
9 and operation of a dealership by a designated family member of a deceased or
10 incapacitated new recreational vehicle dealer under the existing dealer agreement, the
11 manufacturer, within ~~60~~ 30 days of receipt of the information requested in subsection
12 1, paragraph B, may serve upon the designated family member notice of its refusal to
13 honor the succession or its intent to discontinue the existing dealer agreement with
14 the dealership. A discontinuance may not take place sooner than 90 days from the
15 date the notice is served.

16 **Sec. 21. 10 MRSA §1439**, as enacted by PL 1997, c. 427, §2, is repealed.

17 **Sec. 22. 10 MRSA §1439-A** is enacted to read:

18 **§1439-A. Warranty**

19 **1. Warranty obligations.** A warrantor shall:

20 A. Specify in writing to a dealer the dealer's obligations, if any, for preparation,
21 delivery and warranty service on products covered by the warrantor;

22 B. Compensate the dealer for warranty service required of a dealer by the warrantor;
23 and

24 C. Provide a dealer the schedule of compensation to be paid and the time allowances
25 for the performance of any work and service. The schedule of compensation must
26 include reasonable compensation for diagnostic work as well as warranty labor.

27 **2. Time allowances; reasonable compensation.** Time allowances set by the
28 manufacturer for the diagnosis and performance of warranty labor must be reasonable for
29 the work to be performed. In the determination of what constitutes reasonable
30 compensation under this section, the principal factors to be given consideration are the
31 actual wage rates being paid by the dealer and the actual retail labor rate being charged by
32 the dealers in the community in which the dealer is doing business. The compensation of
33 a dealer for warranty labor may not be less than the average retail labor rates actually
34 charged by the dealer for like nonwarranty labor as long as those rates are reasonable.

35 **3. Reimbursement for warranty parts.** A warrantor shall reimburse a dealer for
36 warranty parts at actual wholesale cost plus a minimum 30% handling charge and the
37 cost, if any, of freight to return warranty parts to the warrantor.

38 **4. Audits.** A warrantor may conduct warranty audits of dealer records on a
39 reasonable basis, and dealer claims for warranty compensation may not be denied except

1 for cause, such as performance of nonwarranty repairs, material noncompliance with the
2 warrantor's published policies and procedures, lack of material documentation, fraud or
3 misrepresentation.

4 **5. Claims.** A dealer shall submit warranty claims within 45 days after completing
5 warranty service and repairs.

6 **6. Notice for inability to perform warranty repairs.** A dealer shall immediately
7 notify the warrantor orally or in writing if the dealer is unable to perform any warranty
8 repairs within 10 days of receipt of an oral or written complaint from a customer.

9 **7. Claims not approved.** A warrantor shall approve or disapprove a warranty claim
10 in writing within 45 days after the date of submission by a dealer in the manner and form
11 prescribed by the warrantor. Claims not specifically disapproved in writing within 45
12 days are deemed to be approved and must be paid within 60 days of submission.

13 **8. Duties of warrantor.** A warrantor:

14 A. Shall perform its warranty obligations under this subsection with respect to its
15 warranted products;

16 B. Shall include in written notices of factory campaigns to recreational vehicle
17 owners and dealers the expected date by which necessary parts and equipment,
18 including tires and chassis or chassis parts, will be available to dealers to perform the
19 campaign work. The warrantor may ship parts to the dealer to effect the campaign
20 work, and, if such parts are in excess of the dealer's requirements, the dealer may
21 return unused parts to the warrantor for credit after completion of the campaign;

22 C. Shall compensate dealers for authorized repairs performed by the dealer on
23 merchandise damaged in manufacture or transit to the dealer, if the carrier is
24 designated by the warrantor, factory branch, distributor or distributor branch;

25 D. Shall compensate dealers in accordance with the schedule of compensation
26 provided to the dealer pursuant to subsection 1, paragraph C if the work or service is
27 performed in a timely and competent manner;

28 E. May not intentionally misrepresent in any way to a purchaser of a recreational
29 vehicle that warranties with respect to the manufacture, performance or design of the
30 vehicle are made by the dealer as warrantor or cowarrantor; and

31 F. May not require a dealer to make warranties to customers in any manner related to
32 the manufacture of the recreational vehicle.

33 **9. Duties of dealer.** A dealer:

34 A. Shall perform predelivery inspection functions, as specified by the warrantor, in a
35 competent and timely manner;

36 B. Shall perform warranty service or work authorized by the warrantor in a
37 competent and timely manner on any transient customer's vehicle of the same line
38 make;

1 C. Shall accurately document the time spent completing each repair, the total number
2 of repair attempts conducted on a single vehicle and the number of repair attempts for
3 the same repair conducted on a single vehicle;

4 D. Shall notify the warrantor within 10 days of a 2nd repair attempt that impairs the
5 use, value or safety of a vehicle;

6 E. Shall maintain written records, including a customer's signature, regarding the
7 amount of time a vehicle is stored for the customer's convenience during a repair; and

8 F. May not make fraudulent warranty claims or misrepresent the terms of a warranty.

9 10. Manufacturer audit of claims. A manufacturer is permitted to audit claims
10 within an 18-month period from the date the claim was paid or credit issued by the
11 manufacturer and to charge back any false or unsubstantiated claims. If there is evidence
12 of fraud, this subsection does not limit the right of the manufacturer to audit for longer
13 periods and charge back for any fraudulent claim.

14 **Sec. 23. 10 MRSA §1440**, as enacted by PL 1997, c. 427, §2, is repealed.

15 **Sec. 24. 10 MRSA §1440-A** is enacted to read:

16 **§1440-A. Mediation**

17 1. Mediation. A dealer, manufacturer, distributor or warrantor injured by another
18 party's violation of this chapter may bring an action pursuant to section 1447. Prior to
19 bringing an action under section 1447, the party bringing the action for an alleged
20 violation must serve a written demand for mediation upon the offending party.

21 A. The demand for mediation under this section must be served upon the other party
22 via certified mail at the address stated within the agreement among the parties.

23 B. The demand for mediation under this section must contain a brief statement of the
24 dispute and the relief sought by the party filing the demand.

25 C. Within 20 days after the date a demand for mediation under this section is served,
26 the parties shall mutually select an independent certified mediator and meet with that
27 mediator for the purpose of attempting to resolve the dispute. The meeting place must
28 be in this State in a location selected by the mediator. The mediator may extend the
29 date of the meeting for good cause shown by either party or upon stipulation of both
30 parties.

31 D. The service of a demand for mediation under this section tolls the time for the
32 filing of any complaint, petition, protest or other action under this chapter until
33 representatives of both parties have met with a mutually selected mediator for the
34 purpose of attempting to resolve the dispute. If a complaint, petition, protest or other
35 action is filed before that meeting, the court shall enter an order suspending the
36 proceeding or action until the mediation meeting has occurred and may, upon written
37 stipulation of all parties to the proceeding or action that they wish to continue to
38 mediate under this section, enter an order suspending the proceeding or action for as
39 long a period as the court considers appropriate.

1 E. The parties to the mediation under this section must bear their own costs for
2 attorney's fees and divide equally the cost of the mediator.

3 **Sec. 25. 10 MRSA §1440-B** is enacted to read:

4 **§1440-B. Indemnification**

5 1. Warrantor. A warrantor shall indemnify and hold harmless its dealer against any
6 losses or damages to the extent such losses or damages are caused by the negligence or
7 willful misconduct of the warrantor. The dealer shall provide to the warrantor notice of a
8 pending lawsuit or similar proceeding in which such allegations are made within 10 days
9 after receiving the notice.

10 2. Dealer. A dealer shall indemnify and hold harmless its warrantor against any
11 losses or damages to the extent such losses or damages are caused by the negligence or
12 willful misconduct of the dealer. The warrantor shall provide to the dealer notice of a
13 pending lawsuit or similar proceeding in which such allegations are made within 10 days
14 after receiving the notice.

15 **Sec. 26. 10 MRSA §1441**, as enacted by PL 1997, c. 427, §2, is repealed.

16 **Sec. 27. 10 MRSA §1442**, as enacted by PL 1997, c. 427, §2, is repealed.

17 **Sec. 28. 10 MRSA §1442-A** is enacted to read:

18 **§1442-A. Written agreements; designated territories**

19 1. Prohibition. A manufacturer or distributor may not sell a recreational vehicle in
20 this State to or through a dealer without having first entered into a dealer agreement with
21 the dealer that has been signed by both parties.

22 2. Designation of area of sales responsibility. A manufacturer shall designate the
23 area of sales responsibility assigned to a dealer in the dealer agreement and may not
24 change the area or contract with another dealer for sale of the same line make in the area
25 during the duration of the agreement. If, subsequent to entering into a dealer agreement,
26 a dealer enters into an agreement to sell any competing recreational vehicles, or enters
27 into an agreement to increase a preexisting commitment to sell any competing
28 recreational vehicles, a manufacturer may revise the area of sales responsibility
29 designated in the dealer agreement if the market penetration of the manufacturer's
30 products is jeopardized by the dealer's subsequent agreements.

31 3. Change of area of sales responsibility. The area of sales responsibility may not
32 be changed until one year after the execution of the dealer agreement. The consent of
33 both parties is required to change the dealer agreement.

34 4. Sale of new recreational vehicles. A dealer may not sell a new recreational
35 vehicle in this State without having first entered into a dealer agreement with a
36 manufacturer or distributor that has been signed by both parties.

37 **Sec. 29. 10 MRSA §1443**, as enacted by PL 1997, c. 427, §2, is repealed.

