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Valley, Jackie

From: Chowning, Vonne Assemblywoman
Sent: Wednesday, April 23, 2003 10:24 PM
To: Valley, Jackie
Subject: FW: Letter Opposing Senate Bill 355

Importance: High

Please print this letter out for our committee members. Thank you

-----Original Message-----

From: Bill Baker [mailto:bbaker@rvia.org]
Sent: Wednesday, April 23, 2003 12:26 PM
To: vchowning@asm.state.nv.us
Subject: Letter Opposing Senate Bill 355
Importance: High

April 23, 2003

The Honorable Vonne Chowning
Chair, Committee on Transportation
The Nevada Assembly
401 S. Carson Street
Carson City, NV 89701

Re: Senate Bill 355: OPPOSED

The Recreation Vehicle Industry Association (RVIA) opposes the amendment to Senate Bill 355 made on April 11, 2003 that strikes the existing definition of "new vehicle" as used in NRS Section 482.363521(1)(a). RVIA is the national trade association representing manufacturers and suppliers of motorhomes, van conversions, travel trailers and truck campers. Together our members produce more than 98 percent of all RVs sold in the United States. In 2002, sales totaled some \$11 billion dollars.

Under existing law, manufacturers are required to repurchase the dealer's inventory of new vehicles, including those not of the current model year, which have not been damaged or materially altered and register 50 miles or less on the odometer. With this proposed amendment, the definition of "new vehicle" would be expanded for the purposes of termination compensation to include any new vehicle, as defined in NRS Section 482.076, in the dealer's inventory, including those that have been previously registered and have as many as 2,500 miles on the odometer.

RVIA members are concerned that Senate Bill 355, as it is currently being considered, could potentially add a significant financial burden to their termination compensation requirements. If enacted, manufacturers would be required to repurchase vehicles from dealers that are several model years old and that have already been sold and registered in the state, if the vehicle's mileage does not exceed 2,500 miles. In most cases, inventory repurchased from a dealer is distributed to other franchised dealers to be sold. Neither manufacturers nor consumers consider a vehicle that is several model years old or that has been previously registered with up to 2,500 miles on the odometer to be new. Requiring the manufacturer to compensate the dealer "the amount actually paid by the dealer for the vehicles" or "the amount currently paid by other dealers in this state for the vehicles" potentially means the manufacturer could be forced to bear a substantial financial loss on vehicles that no longer have a market value comparable to the amount originally paid by the dealer.

RVIA is also concerned that the proposal eliminates the existing language that new vehicles be free of damage or material alterations. This change could force the repurchase of vehicles with damage or alterations that depreciate the market value, further adding to the manufacturers financial losses.

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ASSEMBLY NATURAL RES., AGRICULTURE & MINING
DATE: 4/24/03 ROOM: 3143 EXHIBIT D 1-2
SUBMITTED BY: Bill Baker

Additionally, there are questions as to how the termination compensation provision would be applied to towable RVs, also proposed to be included in the franchise statute. How would the provision stating manufacturers are required to repurchase any new motor vehicle that has been registered and has 2,500 miles or less on the odometer affect towable RV manufacturers? Since towable RVs don't have odometers, what would be the parameters for the repurchase of towable RVs that have been registered? Furthermore, truck campers are not required to be registered in Nevada. Does that mean that a manufacturer would be required to repurchase any truck camper regardless of how old it is?

Finally, while it may seem appropriate to put RV trailer type products under the automobile franchise law because they are sold by RV dealers, a common sense look at the product will show that not only are they not "motor vehicles" (they are not self-propelled nor do they have engines, drive trains, or steering wheels), but that they are designed and used for temporary lodging, not transportation. There are also practical considerations of adding towable RVs to the automotive franchise statute that pertain to relevant market area and company store provisions. There may be existing towable RV dealerships carrying the same line make within the same relevant market area or an RV manufacturer currently operating a towable dealership within the state. Both would be in violation of the law if this measure is passed.

For these reasons, RVIA must respectfully oppose the amendment to Senate Bill 355 made on April 11, 2003. Please contact me at (800) 336-0154, ext. 313, if you have any questions or need additional information regarding our position.

Sincerely,

Bill Baker
RVIA Director, Government Relations
(800) 336-0154, ext. 313
bbaker@rvia.org