



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-6201/1
EVM:wlj

2021 ASSEMBLY BILL 1112

March 10, 2022 - Introduced by Representative KRUG. Referred to Committee on Jobs and the Economy.

1 **AN ACT to amend** 218.10 (8m); and **to create** 218.10 (1b), 218.10 (1d), 218.10 (1i),
2 218.10 (1n), 218.10 (1o), 218.10 (1p), 218.10 (1q), 218.10 (1t), 218.10 (2), 218.10
3 (7m), 218.10 (7w), 218.10 (8u), 218.10 (8v), 218.10 (8w), 218.10 (10), 218.10 (11),
4 218.161, 218.162, 218.163, 218.164, 218.165, 218.166, 218.167 and 218.17 of
5 the statutes; **relating to:** recreational vehicle manufacturers, distributors,
6 and dealers and providing a penalty.

Analysis by the Legislative Reference Bureau

Under current law, recreational vehicle (RV) dealers must be licensed by the Department of Transportation. An RV dealer license may be denied, suspended, or revoked for a number of reasons, including failure to comply with licensing requirements, committing certain types of fraud, or engaging in unconscionable business practices. In addition, persons who violate the statutes governing RV dealer licensure may be required to forfeit between \$25 and \$100 for a first offense and may be fined between \$25 and \$100 for a second or subsequent offense within three years.

This bill provides additional regulation of RV dealers and regulates various aspects of the relationship between RV dealers and RV manufacturers or distributors. Specifically, among other things, the bill does all of the following:

1. Requires a dealer agreement between each RV dealer and the manufacturer or distributor of the RVs the dealer sells. The bill further specifies certain contents of the agreement, including an exclusive sales area for each RV dealer.

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2. Prohibits RV manufacturers and distributors from terminating or failing to renew a dealer agreement without good cause. The bill provides criteria that must be considered when assessing whether good cause exists.

3. Requires an RV manufacturer or distributor to provide notice before terminating or nonrenewing a dealer agreement and provides that a termination or nonrenewal must be rescinded upon certain actions by an RV dealer.

4. Provides that an RV dealer may terminate or nonrenew an agreement with an RV manufacturer upon 30 days' notice.

5. In certain cases, requires an RV manufacturer to repurchase certain products provided to RV dealers, including new RVs, certain RV accessories, and certain repair equipment, upon termination of a dealer agreement.

6. Requires an RV manufacturer or distributor to allow an RV dealer to designate a family member as a successor to its dealer agreement.

7. Specifies obligations with regard to warranty repairs.

8. Provides that DOT may administratively fine any person who violates the provisions of the bill up to \$1,000 for each violation.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 218.10 (1b) of the statutes is created to read:

2 218.10 (1b) "Area of sales responsibility" means the geographical area agreed
3 to by the dealer and the manufacturer or distributor in a dealer agreement within
4 which the dealer has the exclusive right to display or sell the manufacturer's new
5 recreational vehicles of a particular line-make.

6 **SECTION 2.** 218.10 (1d) of the statutes is created to read:

7 218.10 (1d) "Component manufacturer" means a person, firm, corporation, or
8 business entity that engages in the manufacturing of components, accessories, or
9 parts used in manufacturing recreational vehicles.

10 **SECTION 3.** 218.10 (1i) of the statutes is created to read:

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1 218.10 (1i) “Dealer agreement” means a written agreement or contract entered
2 into by a dealer and a manufacturer or distributor that fixes the rights and
3 responsibilities of the parties and pursuant to which the dealer sells new
4 recreational vehicles.

5 **SECTION 4.** 218.10 (1n) of the statutes is created to read:

6 218.10 (1n) “Distributor” means a person, firm, corporation, or business entity
7 that purchases new recreational vehicles for resale to dealers.

8 **SECTION 5.** 218.10 (1o) of the statutes is created to read:

9 218.10 (1o) “Factory campaign” means an effort on the part of a warrantor to
10 contact recreational vehicle owners or dealers in order to address a part or equipment
11 issue.

12 **SECTION 6.** 218.10 (1p) of the statutes is created to read:

13 218.10 (1p) “Family member” means an individual’s spouse or an individual’s
14 child, grandchild, parent, sibling, niece, or nephew or the spouse of any of these.

15 **SECTION 7.** 218.10 (1q) of the statutes is created to read:

16 218.10 (1q) “Fifth-wheel travel trailer” means a vehicle mounted on wheels
17 that is designed to provide temporary living quarters for recreational, camping, or
18 travel use, that is of a size and weight that a special highway movement permit is
19 not required, and that is designed to be towed by a motor vehicle that contains a
20 towing mechanism that is mounted above or forward of the rear axle of the tow
21 vehicle.

22 **SECTION 8.** 218.10 (1t) of the statutes is created to read:

23 218.10 (1t) “Line-make” means a specific series of recreational vehicle
24 products, the sale of which may be authorized by a dealer agreement, that satisfies
25 all of the following:

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1 (a) Is targeted to a particular market segment, as determined by the decor,
2 features, equipment, size, weight, and price range.

3 (b) Has lengths and interior floor plans that distinguish the series of
4 recreational vehicle products from other series with substantially the same decor,
5 features, equipment, weight, and price.

6 (c) Belongs to a single, distinct classification of recreational vehicle product
7 type having a substantial degree of commonality in the construction of the chassis,
8 frame, and body.

9 **SECTION 9.** 218.10 (2) of the statutes is created to read:

10 218.10 (2) "Model" is a series of recreational vehicle products identified by a
11 common series trade name or trademark that is a subset of a line-make.

12 **SECTION 10.** 218.10 (7m) of the statutes is created to read:

13 218.10 (7m) "Park model recreational vehicle" means a recreational vehicle
14 that is all of the following:

15 (a) Designed and marketed as temporary living quarters for recreational,
16 camping, travel, or seasonal use.

17 (b) Not permanently affixed to real property for use as a permanent dwelling.

18 (c) Built on a single chassis mounted on wheels with a gross trailer area not
19 exceeding 400 square feet in the setup mode.

20 (d) Certified by the manufacturer as complying with the ANSI A119.5 Park
21 Model Recreational Vehicle Standard.

22 **SECTION 11.** 218.10 (7w) of the statutes is created to read:

23 218.10 (7w) "Proprietary part" means any part manufactured by or for and sold
24 exclusively by the manufacturer.

25 **SECTION 12.** 218.10 (8m) of the statutes is amended to read:

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1 218.10 **(8m)** “Recreational vehicle” ~~has the meaning given in s. 340.01 (48r)~~
2 means a vehicle that is designed to be towed upon a highway by a motor vehicle, that
3 is equipped and used, or intended to be used, primarily for temporary or recreational
4 human habitation, that has walls of rigid construction, and that does not exceed 45
5 feet in length. “Recreational vehicle” includes a fifth-wheel travel trailer, park
6 model recreational vehicle, travel trailer, and truck camper.

7 **SECTION 13.** 218.10 (8u) of the statutes is created to read:

8 218.10 **(8u)** “Transient customer” means a customer who is temporarily
9 traveling through a dealer’s area of sales responsibility.

10 **SECTION 14.** 218.10 (8v) of the statutes is created to read:

11 218.10 **(8v)** “Travel trailer” means a vehicle that is mounted on wheels, that
12 is designed to provide temporary living quarters for recreational, camping, or travel
13 use, and that is of a size or weight that a special highway movement permit is not
14 required when towed by a motor vehicle.

15 **SECTION 15.** 218.10 (8w) of the statutes is created to read:

16 218.10 **(8w)** “Truck camper” means a portable unit that is constructed to
17 provide temporary living quarters for recreational, camping, or travel use and that
18 consists of a roof, floor, and sides and that is designed to be loaded onto and unloaded
19 from the back of a pickup truck.

20 **SECTION 16.** 218.10 (10) of the statutes is created to read:

21 218.10 **(10)** “Warrantor” means a person, firm, corporation, or business entity
22 that gives a warranty in connection with a new recreational vehicle or parts,
23 accessories, or components of a new recreational vehicle.

24 **SECTION 17.** 218.10 (11) of the statutes is created to read:

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1 218.10 (11) "Warranty" does not include service contracts, mechanical or other
2 insurance, or extended warranties sold for separate consideration by a dealer or
3 other person not controlled by a manufacturer.

4 **SECTION 18.** 218.161 of the statutes is created to read:

5 **218.161 Dealer agreement requirement.** (1) A manufacturer or
6 distributor may not sell a new recreational vehicle in this state to or through a dealer
7 without having first entered into a dealer agreement with a dealer that has been
8 signed by both parties.

9 (2) The manufacturer shall designate the area of sales responsibility
10 exclusively assigned to a dealer in the dealer agreement and may not change the area
11 of sales responsibility or contract with another dealer for sale of the same model or
12 line-make, as specified in the agreement, in the designated area of sales
13 responsibility during the duration of the agreement.

14 (3) The terms of the dealer agreement, including the area of sales
15 responsibility, may not be reviewed or changed during the duration of the dealer
16 agreement without the written mutual consent of the parties. The duration of the
17 dealer agreement shall be stated in the dealer agreement.

18 (4) A dealer may not sell a new recreational vehicle in this state without having
19 first entered into a dealer agreement with a manufacturer or distributor and may not
20 sell outside the area of sales responsibility designated in the agreement under sub.
21 (2).

22 (5) A manufacturer may not unilaterally issue a policy or procedure that
23 violates or substantially alters a provision of the dealer agreement during the
24 duration of the agreement.

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1 **(6)** A manufacturer shall distribute new recreational vehicles to its dealers in
2 a fair and equitable manner. If requested, a manufacturer shall provide information
3 on its manner of distribution.

4 **(7)** A manufacturer shall provide its dealer with adequate technical data to
5 perform proper service and repairs.

6 **SECTION 19.** 218.162 of the statutes is created to read:

7 **218.162 Termination of dealer agreement. (1)** (a) A manufacturer or
8 distributor, directly or through any officer, agent, or employee, may terminate,
9 cancel, or fail to renew a model, line-make, or entire dealer agreement only with good
10 cause, and, upon renewal, may not require additional inventory stocking
11 requirements or increased retail sales targets in excess of the market growth in the
12 dealer's area of sales responsibility.

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

17 1. The extent of the affected dealer's penetration in the relevant market area
18 for the relevant model or line-make.

19 2. The nature and extent of the dealer's investment in its business.

20 3. The adequacy of the dealer's service facilities, equipment, parts, supplies,
21 and personnel.

22 4. The effect of the proposed action on the community.

23 5. The extent and quality of the dealer's service under recreational vehicle
24 warranties.

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1 6. The failure to follow agreed-upon, reasonable procedures or standards
2 related to the overall operation of the dealership consistent with the law and the
3 dealer agreement.

4 7. The dealer's performance under the terms of its dealer agreement.

5 (c) 1. Except as provided in this paragraph, a manufacturer or distributor shall
6 provide a dealer with at least 120 days' prior written notice of termination,
7 cancellation, or nonrenewal of a model, line-make, or entire dealer agreement.

8 2. The notice under subd. 1. shall state all reasons for the proposed termination,
9 cancellation, or nonrenewal and shall state that if, within 30 days following receipt
10 of the notice, the dealer provides to the manufacturer or distributor a written notice
11 of intent to cure all claimed deficiencies, the dealer will then have 120 days following
12 receipt of the notice to rectify the deficiencies. If the deficiencies are rectified within
13 120 days, the manufacturer's or distributor's notice is voided. If the dealer fails to
14 provide the notice of intent to cure the deficiencies in the prescribed period, the
15 termination, cancellation, or nonrenewal takes effect 30 days after the dealer's
16 receipt of the notice unless the dealer has new and untitled inventory on hand that
17 may be disposed of as provided under sub. (3).

18 3. The notice period under subd. 1. may be reduced to 30 days if the grounds
19 for termination, cancellation, or nonrenewal are due to any of the following:

20 a. A dealer or one of its owners being convicted of a felony.

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

24 c. A significant misrepresentation by the dealer materially affecting the
25 business relationship.

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1 d. A suspension of, revocation of, or refusal to renew the dealer's license by the
2 department.

3 4. The notice provisions of this paragraph do not apply if the reason for
4 termination, cancellation, or nonrenewal is insolvency, the occurrence of an
5 assignment for the benefit of creditors, or bankruptcy.

6 **(2)** A dealer may terminate, cancel, or fail to renew a model, line-make, or
7 entire dealer agreement with a manufacturer or distributor with or without good
8 cause at any time by giving 30 days' written notice to the manufacturer. If the
9 termination, cancellation, or nonrenewal is for good cause, the dealer has the burden
10 of showing good cause. Any of the following items, among others, may be deemed
11 good cause for the proposed action by a dealer:

12 (a) A manufacturer being convicted of a felony.

13 (b) The business operations of the manufacturer have been abandoned or closed
14 for 10 consecutive business days, unless the closing is due to an act of God, strike,
15 labor difficulty, or other cause over which the manufacturer has no control.

16 (c) A significant misrepresentation by the manufacturer materially affecting
17 the business relationship.

18 (d) A material violation of this subchapter that is not cured within 30 days after
19 written notice by the dealer.

20 (e) A declaration by the manufacturer of insolvency, the occurrence of an
21 assignment for the benefit of creditors, or bankruptcy.

22 (f) A manufacturer's material violation of the dealer agreement that is not
23 cured within 120 days after written notice by the dealer.

24 (g) Manufacturer coercion of the dealer under s. 218.166.

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1 (h) Manufacturer violation of area of sales responsibility protections or
2 allowing other dealers to violate these protections.

3 (3) If the dealer agreement is terminated, canceled, or not renewed by the
4 dealer for good cause, the manufacturer shall, at the election of the dealer and within
5 45 days after termination, cancellation, or nonrenewal, repurchase all of the
6 following:

7 (a) All new, untitled recreational vehicles that were acquired from the
8 manufacturer or distributor within 18 months before the date of the notice of
9 termination, cancellation, or nonrenewal that have not been used, except for
10 demonstration purposes, and that have not been altered or damaged, at 100 percent
11 of the net invoice cost, including transportation, less applicable rebates and
12 discounts to the dealer. If any of the recreational vehicles repurchased is damaged,
13 the amount due to the dealer shall be reduced by the cost to repair the damaged
14 recreational vehicle. Damage prior to delivery to the dealer will not disqualify
15 repurchase under this subsection. Any repurchased recreational vehicle must be
16 paid for in full before the recreational vehicle is removed from the dealer's premises.
17 Upon payment under this paragraph, recreational vehicles must be immediately
18 surrendered to the manufacturer.

19 (b) All undamaged accessories or proprietary parts sold to the dealer for resale
20 within the 12 months prior to termination, cancellation, or nonrenewal, if
21 accompanied by the original invoice, at 105 percent of the original net price paid to
22 the manufacturer or distributor to compensate the dealer for handling, packing, and
23 shipping the parts.

24 (c) Any properly functioning diagnostic equipment, special tools, current
25 signage, or other equipment and machinery at 100 percent of the dealer's net cost

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1 plus freight, destination, delivery, and distribution charges and sales taxes, if any,
2 if the equipment, tools, signage, or machinery was purchased by the dealer within
3 5 years before termination, cancellation, or nonrenewal and upon the
4 manufacturer's or distributor's request and can no longer be used in the normal
5 course of the dealer's ongoing business.

6 (4) If a dealer agreement is terminated, canceled, or not renewed by the
7 manufacturer or distributor without good cause in violation of sub. (1), the
8 manufacturer or distributor shall repurchase dealer recreational vehicles,
9 accessories, and other equipment in the manner provided in sub. (3).

10 (5) (a) A dealer is not prohibited from selling any remaining in-stock inventory
11 of a particular model or line-make after a dealer agreement has been terminated,
12 cancelled, or not renewed by the manufacturer.

13 (b) If recreational vehicles of a model or line-make subject to a terminated
14 agreement are not repurchased or required to be repurchased by the manufacturer
15 or distributor, the dealer may continue to sell recreational vehicles that are subject
16 to the terminated dealer agreement and are currently in stock until those
17 recreational vehicles are no longer in the dealer's inventory.

18 (6) When taking on an additional line-make, a dealer shall notify in writing
19 any manufacturer with whom the dealer has a dealer agreement of the same
20 line-make at least 30 days prior to entering into a dealer agreement with the
21 manufacturer of the additional line-make.

22 **SECTION 20.** 218.163 of the statutes is created to read:

23 **218.163 Transfer of ownership.** (1) If a dealer desires to make a change in
24 ownership by the sale of business assets, stock transfer, or otherwise, the dealer shall
25 give the manufacturer or distributor written notice at least 10 business days before

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1 the closing, along with all supporting documentation as may be reasonably required
2 by the manufacturer or distributor to determine if an objection to the sale may be
3 made. In the absence of a breach by the selling dealer of its dealer agreement or this
4 subchapter, the manufacturer or distributor may not object to the proposed change
5 in ownership unless any of the following applies to the prospective transferee:

6 (a) The transferee has previously been terminated for cause by the
7 manufacturer.

8 (b) The transferee has been convicted of a felony or any crime of fraud, deceit,
9 or moral turpitude.

10 (c) The transferee lacks any license required by law.

11 (d) The transferee does not have an active line of credit sufficient to purchase
12 a manufacturer's product.

13 (e) The transferee has undergone in the last 10 years bankruptcy, insolvency,
14 a general assignment for the benefit of creditors, or the appointment of a receiver,
15 trustee, or conservator to take possession of the transferee's business or property.

16 **(2)** If a manufacturer or distributor objects to a proposed change in ownership,
17 the manufacturer or distributor shall give written notice of its reasons to the dealer
18 within 7 business days after receipt of the dealer's notification and complete
19 documentation. The manufacturer or distributor has the burden of proof with regard
20 to its objection. If the manufacturer or distributor does not give timely notice of its
21 objection, the change, sale, or transfer shall be approved.

22 **(3)** (a) A manufacturer or distributor shall provide a dealer an opportunity to
23 designate, in writing, a family member as a successor to the dealership in the event
24 of the death, incapacity, or retirement of the dealer. A manufacturer or distributor
25 may not prevent or refuse to honor the succession unless the manufacturer or

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1 distributor has provided to the dealer written notice of its objections within 10
2 business days after receipt of the dealer's modification of the dealer's succession
3 plan. In the absence of a breach of the dealer agreement, the manufacturer may
4 object to the succession only for any of the following reasons:

5 1. Conviction of the successor of a felony or any crime of fraud, deceit, or moral
6 turpitude.

7 2. Bankruptcy or insolvency of the successor during the past 10 years.

8 3. Prior termination by the manufacturer of the successor for breach of a dealer
9 agreement.

10 4. The lack of an active line of credit for the successor sufficient to purchase the
11 manufacturer's product.

12 5. The lack of any license for the successor required by law.

13 (b) The manufacturer or distributor has the burden of proof regarding its
14 objection. A family member may not succeed to a dealership if the succession
15 involves, without the manufacturer's or distributor's consent, a relocation of the
16 business or an alteration of the terms and conditions of the dealer agreement.

17 **SECTION 21.** 218.164 of the statutes is created to read:

18 **218.164 Warranty obligation.** (1) Each warrantor shall do all of the
19 following:

20 (a) Specify, in writing, to each of the warrantor's dealers, the dealer's
21 obligations, if any, for preparation, delivery, and warranty service on the warrantor's
22 products.

23 (b) Compensate the dealer for warranty service performed by the dealer that
24 is covered by the warrantor's own warranty.

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1 (c) Provide the dealer with the schedule of compensation to be paid and the time
2 allowances for the performance of any work and service. The schedule of
3 compensation shall include reasonable compensation for diagnostic work as well as
4 warranty labor. If the schedule of compensation required by this paragraph does not
5 include a particular repair, the warrantor shall reimburse the dealer for warranty
6 service for the actual time expended unless the warrantor demonstrates that the
7 actual time was not reasonable. If the warrantor demonstrates that the actual time
8 was not reasonable, the dealer shall be paid a reasonable sum.

9 **(2)** Time allowances for the diagnosis and performance of warranty labor shall
10 be reasonable for the work to be performed. The compensation of a dealer for
11 warranty labor may not be less than the lowest retail labor rate actually charged by
12 the dealer in the ordinary course of business for like nonwarranty labor as long as
13 the rate is reasonable.

14 **(3)** The warrantor shall reimburse the dealer for any warranty part at actual
15 wholesale cost plus a minimum 30 percent handling charge and the cost, if any, of
16 freight to return such part to the warrantor. If a part is sent to the dealer at no cost,
17 the dealer is entitled to payment of 30 percent of the wholesale cost of the part from
18 warrantor as a handling charge. The maximum handling charge for a part shall not
19 exceed \$300. If the warrantor requires the dealer to return a warranty part,
20 accessory, or complete component, the warrantor shall reimburse the dealer the cost
21 of freight to return the part, accessory, or component.

22 **(4)** Warranty audits of dealer records may be conducted by the warrantor on
23 a reasonable basis, and dealer claims for warranty compensation may not be denied
24 except for cause, including performance of nonwarranty repairs, material

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1 noncompliance with the warrantor's published policies and procedures, lack of
2 material documentation, fraud, or misrepresentation.

3 (5) A dealer shall submit warranty claims within 45 days after completing
4 work.

5 (6) A dealer shall notify the warrantor as soon as is reasonably possible,
6 verbally or in writing, if the dealer is unable or unwilling to perform material or
7 repetitive warranty repairs.

8 (7) A warrantor shall disapprove warranty claims in writing within 45 days
9 after the date of submission by the dealer in the manner and form prescribed by the
10 warrantor. Claims not specifically disapproved in writing within 45 days shall be
11 construed to be approved and must be paid within 60 days.

12 (8) No warrantor may do any of the following:

13 (a) Fail to perform any of its warranty obligations with respect to its warranted
14 products.

15 (b) Fail to include, in written notices of factory campaigns to recreational
16 vehicle owners and dealers, the expected date by which necessary parts and
17 equipment, including tires and chassis or chassis parts, will be available to dealers
18 to perform the factory campaign work. A warrantor may ship parts to the dealer to
19 affect the factory campaign work, and, if parts provided are in excess of the dealer's
20 requirements, the dealer may return unused parts to the warrantor for credit after
21 completion of the campaign.

22 (c) Fail to compensate any of its dealers for authorized repairs effected by the
23 dealer of merchandise damaged in manufacture or transit to the dealer if the carrier
24 is designated by the warrantor, factory branch, distributor, or distributor branch.

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1 (d) Fail to compensate any of its dealers for authorized warranty service in
2 accordance with the time allowances set forth in the schedule of compensation under
3 sub. (1) (c) if performed in a timely and competent manner.

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

7 (f) Require the dealer to make warranties to customers in any manner related
8 to the manufacture of the recreational vehicle.

9 **(9)** No dealer may do any of the following:

10 (a) Fail to perform predelivery inspection functions, as specified by the
11 warrantor, in a competent and timely manner.

12 (b) Fail to perform warranty service work authorized by the warrantor in a
13 reasonably competent and timely manner on any transient customer's vehicle of the
14 same line-make unless the dealer determines that the customer is acting in a
15 manner detrimental to its business.

16 (c) Fail to track actual time expended to perform warranty work not governed
17 by time allowances in the schedule of compensation under sub. (1) (c).

18 (d) Claim an agency relationship with the warrantor or manufacturer.

19 (e) Misrepresent the terms of any warranty.

20 **(10)** Notwithstanding the terms of any dealer agreement, all of the following
21 apply:

22 (a) A warrantor shall indemnify, defend, and hold harmless its dealer against
23 any losses or damages to the extent such losses or damages are caused by the
24 negligence or willful misconduct of the warrantor. A dealer may not be denied
25 indemnification or a defense for failing to discover, disclose, or remedy a defect in the

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1 design or manufacturing of the recreational vehicle. A dealer shall provide to the
2 warrantor a copy of any suit in which allegations are made under this section within
3 10 days after receiving the suit. This paragraph shall continue to apply even after
4 the recreational vehicle is titled. Indemnification shall include court costs,
5 reasonable attorney fees, and expert witness fees incurred by the dealer.

6 (b) A dealer shall indemnify, defend, and hold harmless its warrantor against
7 any losses or damages to the extent such losses or damages are caused by the
8 negligence or willful misconduct of the dealer. The warrantor shall provide to the
9 dealer a copy of any suit in which allegations are made under this section within 10
10 days after receiving the suit. This paragraph shall continue to apply even after the
11 recreational vehicle is titled. Indemnification must include court costs, reasonable
12 attorney fees, and expert witness fees incurred by the warrantor.

13 **SECTION 22.** 218.165 of the statutes is created to read:

14 **218.165 Inspection of recreational vehicles. (1)** Whenever a new
15 recreational vehicle is damaged prior to transit to the dealer or is damaged in transit
16 to the dealer when the carrier or means of transportation has been selected by the
17 manufacturer or distributor, the dealer shall notify the manufacturer or distributor
18 of the damage within the time frame specified in the dealer agreement and do any
19 of the following:

20 (a) Request from the manufacturer or distributor authorization to replace the
21 components, parts, and accessories damaged or otherwise correct the damage.

22 (b) Reject the vehicle within the time frame set forth in sub. (4).

23 **(2)** If a manufacturer or distributor refuses or fails to authorize repair of
24 damage described under sub. (1) within 10 days after receipt of notification under

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1 sub. (1) or if the dealer rejects the recreational vehicle because of damage, ownership
2 of the new recreational vehicle reverts to the manufacturer or distributor.

3 (3) A dealer shall exercise due care in custody of a damaged recreational
4 vehicle, but the dealer shall have no other obligations, financial or otherwise, with
5 respect to that recreational vehicle.

6 (4) The time frame for inspection and rejection by the dealer shall be part of
7 the dealer agreement and may not be less than 2 business days after the physical
8 delivery of the recreational vehicle.

9 **SECTION 23.** 218.166 of the statutes is created to read:

10 **218.166 Coercion.** (1) In this section, “coerce” includes threatening to
11 terminate, cancel, or not renew a dealer agreement without good cause or
12 threatening to withhold product lines or delay product delivery as an inducement to
13 amending the dealer agreement.

14 (2) A manufacturer or distributor may not coerce or attempt to coerce a dealer
15 to do any of the following:

16 (a) Purchase a product that the dealer did not order.

17 (b) Enter into an agreement with the manufacturer or distributor.

18 (c) Take any action that is unfair or unreasonable to the dealer.

19 (d) Enter into an agreement that requires the dealer to submit its disputes to
20 binding arbitration or otherwise waive rights or responsibilities provided under this
21 subchapter.

22 (e) Forego exercising a right authorized by a dealer agreement or any law
23 governing the manufacturer-dealer relationship.

24 (3) A dealer bears the burden of proof regarding the prohibited acts described
25 in sub. (2).

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1 **SECTION 24.** 218.167 of the statutes is created to read:

2 **218.167 Dispute resolution.** (1) A dealer, manufacturer, distributor, or
3 warrantor injured by a violation of this subchapter by another dealer, manufacturer,
4 distributor, or warrantor may bring a civil action in circuit court to recover actual
5 damages. The court shall award attorney fees and costs to the prevailing party in
6 an action under this section. Venue for any civil action authorized by this section
7 shall be exclusively in the county in which the dealership is located. In an action
8 involving more than one dealer, venue may be in any county in which a dealer who
9 is party to the action is located.

10 (2) (a) Before bringing suit under this section, the party bringing suit for an
11 alleged violation shall serve a written demand for mediation upon the offending
12 party. This paragraph does not apply to a proceeding for injunctive relief.

13 (b) A demand for mediation under this subsection shall be served upon the
14 offending party by certified mail at the address stated within the dealer agreement
15 between the parties or, if the address is not contained in the agreement or the address
16 is no longer valid, the address on the offending party's license filed with this state.
17 In the event of a civil action between 2 dealers, the demand shall be mailed to the
18 address on the dealer's license filed with this state.

19 (c) A demand for mediation under this subsection shall contain a brief
20 statement of the dispute and the relief sought by the party filing the demand.

21 (d) Within 20 days after the date a demand for mediation is served under par.
22 (b), the parties shall mutually select an independent mediator and meet with the
23 mediator for the purpose of attempting to resolve the dispute. The meeting place
24 shall be in this state in a location selected by the mediator. The mediator may extend

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1 the date of the meeting for good cause shown by either party or upon stipulation of
2 both parties.

3 (e) The service of a demand for mediation under this subsection stays the time
4 for the filing of any complaint, petition, protest, or action under this subchapter until
5 representatives of both parties have met with a mutually selected mediator for the
6 purpose of attempting to resolve the dispute. If a complaint, petition, protest, or
7 action is filed before that meeting, the court shall enter an order suspending the
8 proceeding or action until the meeting has occurred and may, upon written
9 stipulation of all parties to the proceeding or action that they wish to continue to
10 mediate under this subsection, enter an order suspending the proceeding or action
11 for as long a period as the court considers appropriate. A suspension order issued
12 under this paragraph may be revoked by the court.

13 (f) The parties to a mediation under this subsection shall bear their own costs
14 for attorney fees and divide equally the cost of the mediator.

15 **(3)** In addition to the remedies provided in this section, and notwithstanding
16 the existence of any additional remedy at law, a dealer or manufacturer may apply
17 to a circuit court for the grant, upon a hearing and for cause shown, of a temporary
18 or permanent injunction, or both, restraining any person from acting as a dealer,
19 manufacturer, or distributor without being properly licensed under this chapter,
20 from violating or continuing to violate any of the provisions of this subchapter, or
21 from failing or refusing to comply with the requirements of this subchapter. An
22 injunction under this subsection shall be issued without bond. A single act in
23 violation of any of the provisions of this subchapter is sufficient to authorize the
24 issuance of an injunction.

25 **SECTION 25.** 218.17 of the statutes is created to read:

