
Wisconsin Legislative Council

ACT MEMO



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2023 Wisconsin Act 164 [2023 Assembly Bill 230]

Recreational Vehicle Dealers, Distributors, and Manufacturers

2023 Wisconsin Act 164 makes changes to the definition of “recreational vehicle,” subjects recreational vehicle distributors and manufacturers to regulation by the Department of Transportation (DOT), and creates a framework for regulating the relationship between recreational vehicle manufacturers, distributors, and dealers.

BACKGROUND

State law requires that a person be licensed by the DOT before engaging in the business of selling “recreational vehicles” to a consumer or to the retail market. For this purpose, prior law defined “recreational vehicle” to mean “a vehicle that is designed to be towed upon a highway by a motor vehicle, that is equipped and used, or intended to be used, primarily for temporary or recreational human habitation, that has walls of rigid construction, and that does not exceed 45 feet in length.”

The requirement to be licensed to engage in the business of selling recreational vehicles applies to recreational vehicle dealers and recreational vehicle salespersons. Subject to certain exceptions, a recreational vehicle dealer is “a person who, for a commission or other thing of value, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale or exchange of an interest in a recreational vehicle or who is engaged wholly or in part in the business of selling recreational vehicles, whether or not the recreational vehicles are owned by the person.” The term “salesperson” is defined to mean “any person who is employed by a manufacturer or dealer to sell or lease recreational vehicles.”

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The act modifies the definition of “recreational vehicle” to:

- Extend the maximum length of a recreational vehicle from 45 to 46 feet.
- Remove the requirement that a recreational vehicle have walls of rigid construction.
- Enumerate as included in the definition of recreational vehicle all of the following: a camping trailer, fifth-wheel recreational vehicle, park model recreational vehicle, and travel trailer. The act provides definitions for each of these specific types of recreational vehicles.

The act also makes various changes to DOT’s regulation of recreational vehicle sales. It requires that a recreational vehicle dealer, as a condition of licensure, provide and maintain in force a bond or irrevocable letter of credit of not less than \$50,000. It also imposes department licensure requirements on any recreational vehicle manufacturer or distributor that sells recreational vehicles in this state.

Finally, the act establishes requirements regulating the relationship between recreational vehicle manufacturers, distributors, and dealers. These provisions include the following:

- **Dealer Agreements Required.** Under the act, a manufacturer or distributor must enter into a dealer agreement to sell a recreational vehicle to or through a dealer in this state. Likewise, a dealer may not sell a new recreational vehicle in this state without having first entered into a dealer agreement with a manufacturer or distributor. Every dealer agreement must include certain components, including a designation of the area of sales responsibility exclusively assigned to the dealer.
- **Termination of Dealer Agreements Regulated.** The act establishes procedures for terminating, canceling, or failing to renew a dealer agreement. Under the act, a manufacturer or distributor may terminate, cancel, or fail to renew a dealer agreement only for good cause. A dealer may terminate, cancel, or fail to renew a model, make-line, or entire agreement with a manufacturer or distributor with or without good cause at any time by giving 30 days' written notice to the manufacturer. If the dealer shows good cause exists to terminate the agreement, the manufacturer or distributor is required to repurchase certain inventory if the dealer so elects.
- **Dealer Ownership Changes.** The act requires a dealer who wishes to make a change in ownership to give the manufacturer or distributor written notice at least 10 business days before the closing, along with certain documents, and provides that the manufacturer or distributor may not object to the proposed change except for certain specified reasons.
- **Warranty Obligations.** The act establishes requirements regarding warranty obligations, including that a warrantor specify a dealer's obligation in writing, compensate the dealer for warranty service performed by the dealer that is covered by the warranty, and provide the dealer with the schedule of compensation to be paid and the time allowances for the performances of any work and service.
- **Inspection of Recreational Vehicles.** The act establishes various obligations for dealers and manufacturers and distributors regarding new recreational vehicles that are damaged prior to transit to the dealer or are damaged in transit to the dealer when the manufacturer or distributor has selected the carrier or means of transportation.
- **Coercion Prohibited.** The act prohibits manufacturers or distributors from coercing or attempting to coerce a dealer into taking various actions.
- **Dispute Resolution.** The act provides mechanisms for resolving disputes between a dealer, manufacturer, distributor, or warrantor. The act requires a dealer, manufacturer, distributor, or warrantor injured by a violation of the act by another dealer, manufacturer, distributor, or warrantor to attempt to resolve the dispute through mediation before the party alleged to be injured may bring a civil action in circuit court.

Effective date: October 1, 2024

For a full history of the bill, visit the Legislature's [bill history page](#).

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