

## STATE OF RHODE ISLAND

## DIVISION OF MOTOR VEHICLES ADMINISTRATION OFFICE

600 New London Avenue Cranston, RI 02920-3024 Phone: 401-462-4368

www.dmv.ri.gov

March 25, 2025

The Honorable Joseph J. Solomon, Jr. Chair, House Committee on Corporations State House Providence, RI 02903

RF.

2025 H-5588- AN ACT RELATING TO MOTOR AND OTHER VEHICLES – REGULATION OF BUSINESS PRACTICES AMONG MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, AND DEALERS

Dear Chair Solomon:

The Division of Motor Vehicles ("DMV") writes to express technical concerns with House Bill 5588, An Act Relating to Motor and Other Vehicles – Regulation of Business Practices Among Motor Vehicle Manufacturers, Distributors and Dealers.

The proposed bill would extend certain protocols applicable to motor vehicle manufacturers to their distributors and factory branches, amend definitions relative to common entities and sales, as well as prohibit any motor vehicle manufacturers, common entities, affiliates or joint ventures licensed after January 1, 2020, from selling directly to the public.

The DMV's technical concerns with the proposed bill are with the amendments to some of the definitions in R.I. Gen. Laws § 31-5.1-1. While it may simply be a scrivener's error, the amended definition of "Distributor" in the proposed bill strikes out language which results in an incomplete definition of that term. Likewise, the amended definition of the term "Manufacturer" in that same section adds a new term, but strikes some of the existing language, resulting in an incomplete and potentially confusing definition. The DMV therefore is requesting that these sections be amended in order to provide clarity to those definitions, as it is this agency's duty to administer those statutes.

Thank you for your consideration.

Sincerely,

Walter R. Craddock, Esq.

Administrator

Cc: The Honorable Members of the House Committee on Corporations

The Honorable Jon D. Brien

Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker

Thomas A. Verdi, Director, Department of Revenue

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