

May 2025

To: The Committee on Housing and Economic Development

RE: LD 1296 – An Act to Amend the Law Governing Watercraft Franchisor Warranty Reimbursements

Senator Curry, Representative Gere, and members of the Committee on Housing and Economic Development,

My name is Stacey Keefer. I am a resident of Union and I am testifying today in my capacity as Director for the Maine Marine Trades Association (MMTA). MMTA represents over 120 Maine businesses and an industry comprised of boatyards, boat builders, marinas, boat dealers, marine retailers, and more. The boating industry in Maine, including both recreational and commercial boats, has a \$3 Billion annual state impact (source: NMMA 2023 Economic Impact Study).

MMTA would like to thank Senator Reny and the bipartisan group of co-sponsors for LD 1296. This legislation was requested by our organization on behalf of our members and aims to amend Title 10 §1197 so that the marine warranty statute can be more on par with Maine automotive and RV warranty statutes which have more clearly defined compensation rules.

As for the intent of the bill, let me say first that our local boat builders are not an issue for our franchisees. The issue comes from some of the large national and international brands who are not treating their Maine franchisees fairly and have indicated that they are not required to reimburse more reasonably for warranty work because Maine has a loosely written statute. Not all franchisors are a problem, but it only takes a few to create enough frustration and negative business impacts to motivate our industry to bring this before the Committee today.

Just like many industries, the boating industry is suffering from a workforce shortage. During such a short season, boaters get very anxious if they have any down time without their watercraft. Most boatyards struggle to keep up with work orders and prioritization is a challenge. We believe it would certainly behoove the manufacturers to provide reasonable reimbursements for actual labor costs and normal retail margins to help keep their customers prioritized and their brands on the water.

When we talk about reasonable reimbursement requests, we would like the Committee to understand the following example because working on watercraft is unlike a technician putting a vehicle in a car lift for service. Moving watercraft to be lifted from the water (especially one that may have a disabled engine) can take anywhere from 2-5 people to do carefully depending on the size of the vessel and it can be especially challenging on a windy day. The cost of this type of service called a "haul out" is usually charged at a per foot rate and includes the launch. Sadly, some franchisors are not even reimbursing the franchisees for the flat rate haul and launch of watercraft that require being hauled for warranty work. The franchisee is then lacking

reimbursement for a service that is one of the highest risk operations in a boatyard. If the boatyard staff has to move the vessel, it is in their care, custody and control –they then assume liability for any damages at that point. We believe the franchisee should be reimbursed at a standard retail rate for that service.

MMTA would like to thank the Committee for hearing this proposal during a very busy session. This bill is being presented at a time when our boating businesses are hitting their absolute busiest time of the year preparing for the summer season. We anticipate that you will receive testimony from a few of our businesses, but we are pleased to be here on behalf of those who cannot take a break from their workplaces right now. Thank you for your consideration and we urge you to support LD 1296. I am happy to answer questions.

Respectfully,

A handwritten signature in black ink that reads "Stacey Keefer". The signature is written in a cursive, flowing style.

Stacey Keefer
Maine Marine Trades Association, Executive Director

