

## Chapter 157

## (House Bill 313)

AN ACT concerning

**Motor Vehicle Administration – Temporary Registration Plates – Regulations  
Vehicle Laws – Dealers – Financing or Leasing Agreements**

FOR the purpose of ~~requiring the Motor Vehicle Administration to adopt regulations to govern the issuance of a temporary registration plate to a vehicle buyer that accepts delivery of the vehicle before all the agreements of the parties become final; and generally relating to regulations governing the issuance of temporary registration plates~~ requiring that a certain notice be provided to a buyer purchasing a vehicle through dealer-arranged financing or leasing before approval of a third-party financial institution has been received; requiring a dealer to notify a buyer in writing if the terms of a certain financing or lease agreement are not approved by a ~~third party~~ *third-party* finance source within a certain period of time; requiring a buyer to return a vehicle to a dealer within a certain period of time under certain circumstances; authorizing a dealer to repossess a vehicle in accordance with certain provisions of law under certain circumstances; authorizing a dealer and a buyer to agree on new financing or leasing terms under certain circumstances; authorizing a dealer or a buyer to cancel a sale under certain circumstances; requiring a dealer to return any trade-in vehicle, down payment, titling fee and excise tax, dealer processing charge, and any other fee, tax, or charge to a buyer if a certain sale is canceled; prohibiting a dealer from charging a fee to a buyer for the use of a vehicle if a certain sale is canceled; stating that certain provisions of law apply to a financing or lease agreement between a dealer and a buyer; *requiring a dealer to maintain certain required security for a vehicle until a certain financing or lease agreement is approved by a third-party finance source; prohibiting a buyer from waiving the rights established by this Act; making a violation of this Act an unfair and deceptive trade practice; establishing that a dealer that is found guilty of an unfair and deceptive trade practice is subject to certain enforcement and penalty provisions;* and generally relating to sales contracts and financing or leasing agreements for vehicles.

~~BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 13-602  
Annotated Code of Maryland  
(2012 Replacement Volume and 2014 Supplement)~~

BY repealing and reenacting, with amendments,  
Article – Commercial Law  
Section 13-301(14)(xxviii)  
Annotated Code of Maryland  
(2013 Replacement Volume and 2014 Supplement)

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 13–301(14)(xxix) and (15)

Annotated Code of Maryland

(2013 Replacement Volume and 2014 Supplement)

BY adding to

Article – Commercial Law

Section 13–301(14)(xxx)

Annotated Code of Maryland

(2013 Replacement Volume and 2014 Supplement)

BY adding to

Article – Transportation

Section 15–311.3

Annotated Code of Maryland

(2012 Replacement Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Commercial Law**

**13–301.**

Unfair or deceptive trade practices include any:

(14) Violation of a provision of:

(xxviii) Title 12, Subtitle 10 of the Financial Institutions Article; [or]

(xxix) Title 19, Subtitle 7 of the Business Regulation Article; or

**(XXX) SECTION 15–311.3 OF THE TRANSPORTATION ARTICLE;**

**OR**

(15) Act or omission that relates to a residential building and that is chargeable as a misdemeanor under or otherwise violates a provision of the Energy Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article.

**Article – Transportation**

**15–311.3.**

**(A) (1) FOR A BUYER PURCHASING A VEHICLE THROUGH DEALER-ARRANGED FINANCING OR LEASING BEFORE APPROVAL OF A**

THIRD-PARTY INSTITUTION HAS BEEN RECEIVED, THE FOLLOWING NOTICE SHALL BE PROVIDED TO THE BUYER IN A SEPARATE DOCUMENT AND SIGNED BY THE DEALER AND THE BUYER:

“FOR FINANCE OR LEASE SALES: THE FINANCING OR LEASE AGREEMENT YOU ENTERED INTO WITH THE DEALER ~~MAY NOT BE~~ IS NOT FINAL AND MUST BE APPROVED BY A THIRD-PARTY FINANCIAL INSTITUTION. IF THE TERMS ARE APPROVED, THE SALE CANNOT BE CANCELED. IF THE TERMS ARE NOT APPROVED, THE DEALER MUST NOTIFY YOU IN WRITING WITHIN ~~3~~ 4 DAYS OF DELIVERY OF THE VEHICLE TO YOU, AND YOU OR THE DEALER MAY CANCEL THIS SALE. IF THE SALE IS CANCELED, THE VEHICLE DELIVERED TO YOU MUST BE RETURNED TO THE DEALER IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR, WITHIN 2 DAYS OF YOUR RECEIPT OF A WRITTEN NOTICE OF THE THIRD-PARTY REJECTION. UNLESS YOU AND THE DEALER AGREE ON DIFFERENT TERMS, ANY DOWN PAYMENT, TITLING FEE, EXCISE TAX, DEALER PROCESSING CHARGE, OR ANY OTHER FEE, TAX, OR CHARGE ASSOCIATED WITH THE TRANSACTION, AND ANY TRADE-IN VEHICLE, IN THE SAME CONDITION IN WHICH THE DEALER RECEIVED THE VEHICLE, WILL BE RETURNED TO YOU IMMEDIATELY AND YOU MAY NOT BE CHARGED A FEE FOR USE OF THE VEHICLE THAT WAS THE SUBJECT OF THE SALE. YOU MAY NOT WAIVE ANY OF THESE RIGHTS. IF YOU FEEL THE DEALER HAS FAILED TO COMPLY WITH THE TERMS OF THIS NOTICE, YOU MAY CONTACT THE MOTOR VEHICLE ADMINISTRATION OR THE CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.”.

(2) A COPY OF THE SIGNED NOTICE SHALL BE PROVIDED TO THE BUYER BEFORE DELIVERY OF THE VEHICLE TO THE BUYER.

(B) A DEALER SHALL NOTIFY A BUYER IN WRITING IF THE TERMS OF A FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A BUYER ARE NOT APPROVED BY A THIRD-PARTY FINANCE SOURCE WITHIN ~~3~~ 4 DAYS OF DELIVERY OF A VEHICLE TO THE BUYER.

(C) (1) IF THE TERMS OF A FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A BUYER ARE NOT APPROVED BY A THIRD-PARTY FINANCE SOURCE, THE BUYER SHALL RETURN THE VEHICLE TO THE DEALER IN THE SAME CONDITION IN WHICH THE BUYER RECEIVED THE VEHICLE, EXCEPT FOR NORMAL WEAR AND TEAR, WITHIN 2 DAYS OF ~~DELIVERY~~ RECEIPT OF THE NOTICE REQUIRED UNDER SUBSECTION ~~(A)~~ (B) OF THIS SECTION.

(2) IF A BUYER DOES NOT RETURN THE VEHICLE TO THE DEALER AS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEALER MAY REPOSSESS THE VEHICLE IN ACCORDANCE WITH ~~§ 12-624 OF THE COMMERCIAL LAW ARTICLE~~ STATE LAW.

**(D) (1) A DEALER AND A BUYER MAY AGREE ON NEW FINANCING OR LEASING TERMS ON RETURN OF A VEHICLE UNDER SUBSECTION (C)(1) OF THIS SECTION.**

**(2) (I) IF A DEALER AND A BUYER DO NOT AGREE ON NEW FINANCING OR LEASING TERMS, THE DEALER OR THE BUYER MAY CANCEL THE SALE.**

**(II) IF A SALE IS CANCELED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEALER:**

**1. SHALL RETURN TO THE BUYER:**

**A. ANY TRADE-IN VEHICLE IN THE SAME CONDITION IN WHICH THE DEALER RECEIVED THE VEHICLE;**

**B. ANY DOWN PAYMENT;**

**C. THE TITLING FEE AND EXCISE TAX PAID UNDER TITLE 13, SUBTITLE 8 OF THIS ARTICLE;**

**D. ANY DEALER PROCESSING CHARGE; AND**

**E. ANY OTHER FEE, TAX, OR CHARGE ASSOCIATED WITH THE TRANSACTION; AND**

**2. MAY NOT CHARGE THE BUYER A FEE FOR THE USE OF THE VEHICLE.**

**(E) ~~THE PROVISIONS OF §§ 12-609 AND 12-1023 OF THE COMMERCIAL LAW ARTICLE APPLY TO A FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A BUYER~~ A DEALER SHALL MAINTAIN THE REQUIRED SECURITY FOR THE VEHICLE UNDER § 17-104(B) OF THIS ARTICLE UNTIL THE TERMS OF THE FINANCING OR LEASE AGREEMENT BETWEEN A BUYER AND A DEALER ARE APPROVED BY A THIRD-PARTY FINANCE SOURCE.**

**(F) A BUYER MAY NOT WAIVE THE RIGHTS ESTABLISHED UNDER THIS SECTION.**

**(G) A VIOLATION OF THIS SECTION BY A DEALER:**

**(1) IS AN UNFAIR AND DECEPTIVE TRADE PRACTICE UNDER TITLE 13 OF THE COMMERCIAL LAW ARTICLE; AND**

**(2) IS SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THE COMMERCIAL LAW ARTICLE.**

~~13-602.~~

~~(a) (1) (i) Subject to the provisions of this part, a licensed dealer may issue one temporary registration plate for a vehicle to the person who buys the vehicle from the dealer, whether or not the vehicle is to be registered in this State.~~

~~(ii) The dealer may not issue more than one temporary registration for any vehicle.~~

~~(2) A licensed dealer may issue a temporary registration plate to a vehicle buyer who is subject to a penalty for lapsed security for another vehicle under § 17-106 of this article.~~

~~(b) Before a temporary registration plate may be issued for a vehicle, the buyer of the vehicle shall complete and deliver to the dealer a temporary registration plate application, on the form that the Administration requires.~~

~~(c) On the same day that a dealer issues a temporary registration plate for a vehicle, the dealer shall:~~

~~(1) Send to the Administration a copy of the temporary registration plate application completed by the buyer of the vehicle; and~~

~~(2) Electronically transmit to the Administration, in the format that the Administration requires, the vehicle, owner, insurance, and temporary registration information contained on the temporary registration plate application.~~

~~(D) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO GOVERN THE ISSUANCE OF A TEMPORARY REGISTRATION PLATE TO A VEHICLE BUYER THAT ACCEPTS DELIVERY OF THE VEHICLE BEFORE ALL THE AGREEMENTS OF THE PARTIES BECOME FINAL.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015.

Approved by the Governor, May 12, 2015.