

SENATE BILL 249

R7

3lr0731

By: **Senators Forehand and Raskin**

Introduced and read first time: January 18, 2013

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 24, 2013

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers, Distributors, and Factory Branches –**
3 **Retaliation Against Dealers**

4 FOR the purpose of prohibiting a manufacturer, distributor, or factory branch from
5 retaliating against a certain vehicle dealer because of legislation enacted by the
6 General Assembly that regulates the franchise relationship; and generally
7 relating to vehicle manufacturers, distributors, and factory branches.

8 BY repealing and reenacting, without amendments,
9 Article – Transportation
10 Section 15–201
11 Annotated Code of Maryland
12 (2012 Replacement Volume)

13 BY adding to
14 Article – Transportation
15 Section 15–207.1
16 Annotated Code of Maryland
17 (2012 Replacement Volume)

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

20 **Article – Transportation**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 15–201.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) “Distributor” means a distributor who is authorized by the manufacturer
4 or the manufacturer’s authorized importer to enter into franchise agreements with
5 dealers of:

6 (1) New motor vehicles constructed or assembled outside of the United
7 States; or

8 (2) New two–stage vehicles completed outside of the United States by
9 a second–stage manufacturer.

10 (c) “Factory branch” means a branch office of a manufacturer from which the
11 manufacturer:

12 (1) Sells or promotes the sale to dealers in this State of a particular
13 brand or make of new motor vehicles, or new completed two–stage vehicles;

14 (2) Directs and supervises its representatives in this State; or

15 (3) Supervises or contacts its dealers or prospective dealers in this
16 State.

17 (d) “License” means a manufacturer’s, distributor’s, or factory branch’s
18 license issued by the Administration under this subtitle.

19 (e) “Manufacturer” means:

20 (1) A manufacturer of new motor vehicles constructed or assembled in
21 the United States;

22 (2) A second–stage manufacturer of new two–stage vehicles completed
23 in the United States; and

24 (3) In the case of trucks, a person engaged in the business of
25 manufacturing truck component parts.

26 (f) “Second–stage manufacturer” has the meaning stated in § 13–113.2 of
27 this article.

28 **15–207.1.**

29 **A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH MAY NOT**
30 **RETALIATE AGAINST A DEALER IN THE STATE BECAUSE OF LEGISLATION**

1 PASSED BY THE GENERAL ASSEMBLY AND ENACTED INTO LAW THAT
2 REGULATES THE FRANCHISE RELATIONSHIP.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2013.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.