

SENATE BILL 50

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R7

2002 Regular Session  
2lr0213

(PRE-FILED)

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By: **Senator Dorman**  
Requested: July 2, 2001  
Introduced and read first time: January 9, 2002  
Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 13, 2002

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CHAPTER 448

1 AN ACT concerning

2 **Vehicle Laws - Dealer - Definition and Penalties**

3 FOR the purpose of altering a certain definition of "dealer" as it relates to a dealer in  
4 vehicles by reducing the number of certain vehicles that a person may offer to  
5 sell within a certain period before being considered a dealer under the  
6 definition; establishing a certain presumption; altering certain penalties; and  
7 generally relating to vehicle dealers.

8 BY repealing and reenacting, with amendments,  
9 Article - Transportation  
10 Section 15-101(b) and 27-101(i)  
11 Annotated Code of Maryland  
12 (1999 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article - Transportation  
15 Section 15-302  
16 Annotated Code of Maryland  
17 (1999 Replacement Volume and 2001 Supplement)

18 BY adding to  
19 Article - Transportation  
20 Section 27-101(v)  
21 Annotated Code of Maryland  
22 (1999 Replacement Volume and 2001 Supplement)

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

3 **Article - Transportation**

4 15-101.

5 (b) (1) "Dealer" means, except as provided in paragraph (3) of this  
6 subsection, a dealer in vehicles of a type required to be registered under Title 13 of  
7 this article.

8 (2) (I) "Dealer" includes:

9 [(i)] 1. A person who is in the business of buying, selling, or  
10 exchanging vehicles, including a person who during any 12-month period offers to  
11 sell [five] THREE or more of these vehicles, the ownership of which was acquired for  
12 resale purposes; and

13 [(ii)] 2. For the purposes of §§ 15-301 through 15-315, inclusive,  
14 of this title, any person who sells vehicles, whether or not that person acquired the  
15 vehicles for personal or business use, if the vehicles are displayed at a fixed location  
16 used principally for the purpose of selling vehicles on a regular basis.

17 (II) 1. FOR THE PURPOSES OF SUBPARAGRAPH (I)1 OF THIS  
18 PARAGRAPH, A PERSON WHO OFFERS TO SELL THREE OR MORE VEHICLES DURING  
19 ANY 12-MONTH PERIOD IS PRESUMED TO HAVE ACQUIRED THE VEHICLES FOR  
20 RESALE PURPOSES.

21 2. THE VEHICLE OWNER HAS THE BURDEN OF REBUTTING  
22 THE PRESUMPTION ESTABLISHED UNDER SUB-SUBPARAGRAPH 1 OF THIS  
23 SUBPARAGRAPH BY A PREPONDERANCE OF THE EVIDENCE.

24 (3) "Dealer" does not include:

25 (i) A public official who sells or disposes of vehicles in the  
26 performance of his official duties;

27 (ii) An insurance company, finance company, bank, or other lending  
28 institution licensed or otherwise authorized to do business in this State that, to save  
29 it from loss, sells or disposes of vehicles under a contractual right and in the regular  
30 course of its business;

31 (iii) A licensed auctioneer acting on behalf of a seller, secured party  
32 or owner and where title does not pass to the auctioneer and the auction is not for the  
33 purpose of avoiding the provisions of this title;

34 (iv) A receiver, trustee, personal representative, or other person  
35 appointed by or acting under the authority of any court;

1 (v) Either a manufacturer or distributor who sells or distributes  
2 vehicles to licensed dealers or a person employed by a manufacturer or distributor to  
3 promote the sale of the vehicles of the manufacturer or distributor, if that  
4 manufacturer, distributor, or person does not sell vehicles to retail buyers;

5 (vi) A person who sells or disposes of vehicles acquired and used for  
6 personal or business use and not for the purpose of avoiding the provisions of this  
7 title, if that person is not engaged in buying, selling, or exchanging vehicles as a  
8 business;

9 (vii) An automotive dismantler and recycler who during the normal  
10 course of business acquires a salvage vehicle and transfers the vehicle on a salvage  
11 certificate. However, if the automotive dismantler and recycler rebuilds and sells  
12 more than 5 vehicles during a 12-month period to a person other than another  
13 automotive dismantler and recycler or licensed dealer, the automotive dismantler and  
14 recycler must be licensed as a dealer under § 15-302 of this subtitle;

15 (viii) A person engaged in the leasing of motor vehicles under leases  
16 not intended as security; or

17 (ix) A religious, charitable, or volunteer organization exempt from  
18 taxation under § 501(c) of the Internal Revenue Code, the Department of Human  
19 Resources, or a local department of social services transferring a vehicle under §  
20 13-810 of this article.

21 15-302.

22 (a) A person may not conduct the business of a dealer unless the person is  
23 licensed by the Administration under this subtitle.

24 (b) Any person who has been refused a dealer's license in this State or whose  
25 dealer's license is revoked or suspended may not conduct the business of a dealer  
26 under any license, permit, or registration certificate issued by any other jurisdiction.  
27 27-101.

28 (i) Any person who is convicted of a violation of any of the provisions of [§  
29 15-302 of this article ("Dealer's license required"), § 15-402 of this article ("Vehicle  
30 salesman's license required"), or § 15-502(a) of this article ("Automotive dismantler  
31 and recycler or scrap processor -- License required") is subject to:

32 (1) For a first offense, a fine of not more than \$1,000 or imprisonment for  
33 not more than 6 months or both; and

34 (2) For any subsequent offense, a fine of not more than \$2,000 or  
35 imprisonment for not more than 1 year or both.

36 (V) ANY PERSON WHO IS CONVICTED OF A VIOLATION OF § 15-302 OF THIS  
37 ARTICLE IS SUBJECT TO A FINE OF NOT MORE THAN \$5,000 OR IMPRISONMENT FOR  
38 NOT MORE THAN 1 YEAR OR BOTH.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 October 1, 2002.