

## Article - Criminal Law

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§8–408.

(a) (1) In this section the following words have the meanings indicated.

(2) “Direct loan agreement” means an agreement between a lender and a borrower under which the lender advances funds under a loan secured by the motor vehicle purchased by the borrower.

(3) (i) “Installment sale agreement” means a contract for the sale or lease of a motor vehicle, negotiated or entered into in the State, under which:

1. part or all of the price is payable in one or more payments after the contract is made; and

2. the seller takes collateral security or keeps a security interest in the motor vehicle sold.

(ii) “Installment sale agreement” includes:

1. a prospective installment sale agreement;

2. a purchase money security agreement;

3. a contract for the bailment or leasing of a motor vehicle under which the bailee or lessee contracts to pay as compensation a sum that is substantially equal to or is more than the value of the motor vehicle; and

4. a renewal, extension, or refund agreement.

(4) “Lease contract” means a contract for or in contemplation of a lease for the use of a motor vehicle, and the purchase of services incidental to the lease, for a term of more than 4 months.

(5) “Lessor” means a person who leases a motor vehicle to another under a lease contract.

(6) “Motor vehicle” means a vehicle for which an owner is required to obtain a certificate of title under Title 13 of the Transportation Article.

(7) “Motor vehicle agreement” means a lease contract, direct loan agreement, installment sale agreement, or security agreement.

(8) “Secured party” means a person who has a security interest in a vehicle.

(9) “Security agreement” means a written agreement that reserves or creates a security interest.

(10) (i) “Security interest” means an interest in a vehicle that is reserved or created by agreement and that secures payment or performance of an obligation.

(ii) “Security interest” includes the interest of a lessor under a lease intended as security.

(11) (i) “Seller” means a person who sells or leases or agrees to sell or lease a motor vehicle under an installment sale agreement.

(ii) “Seller” includes a present holder of an installment sale agreement.

(b) A person may not engage in an act of unlawful subleasing of a motor vehicle in which:

(1) the motor vehicle is subject to a motor vehicle agreement the terms of which prohibit the transfer or assignment of a right or interest in the motor vehicle or under the motor vehicle agreement without consent of the lessor or secured party;

(2) the person is not a party to the motor vehicle agreement;

(3) the person:

(i) transfers or assigns, or purports to transfer or assign, a right or interest in the motor vehicle or under a motor vehicle agreement to a person who is not a party to the motor vehicle agreement; or

(ii) assists, causes, negotiates, attempts to negotiate, or arranges an actual or purported transfer of a right or interest in the motor vehicle or under a motor vehicle agreement from a person, other than the lessor or secured party, who is a party to the motor vehicle agreement;

(4) neither the person nor the party to the motor vehicle agreement obtains written consent to the transfer or assignment from the lessor or secured party before conducting the acts described in item (3) of this subsection; and

(5) the person receives or intends to receive a commission, compensation, or other consideration for engaging in the acts described in item (3) of this subsection.

(c) (1) It is not an act of unlawful subleasing of a motor vehicle under this section if the acts under subsection (b)(3) of this section are engaged in by a person who is:

(i) a party to the motor vehicle agreement; or

(ii) a dealer or vehicle salesman licensed under Title 15 of the Transportation Article and engaged in vehicle sales who assists, causes, or arranges a transfer or assignment under the terms of an agreement for the purchase or lease of another motor vehicle.

(2) Paragraph (1) of this subsection does not affect the enforceability of a provision of a motor vehicle agreement by a party to the agreement.

(3) A party to a motor vehicle agreement may not be prosecuted under this section as an accessory to the act of unlawful subleasing of the motor vehicle that is subject to the motor vehicle agreement.

(d) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding \$5,000 or both.

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