

## Article - Labor and Employment

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§3-601.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Commission” means compensation that:
  - (1) is due to a sales representative from a principal; and
  - (2) accrues at:
    - (i) a specified amount for each order or sale; or
    - (ii) a rate expressed as a percentage of the dollar amount that a sales representative:
      - 1. takes in orders for the principal;
      - 2. makes in sales for the principal; or
      - 3. earns in profits for the principal.
- (c) “Principal” means a sales corporation, partnership, proprietorship, or other business entity that:
  - (1) distributes, imports, manufactures, or produces a product for wholesale;
  - (2) enters into a contract with a sales representative to solicit a wholesale order for the product; and
  - (3) pays the sales representative wholly or partly by commission.
- (d) (1) “Sales representative” means a person who:
  - (i) enters into a contract with a principal to solicit in the State a wholesale order; and
  - (ii) is paid wholly or partly by commission.
- (2) “Sales representative” does not include a person who:
  - (i) buys a product or places an order for a product for resale by that person; or
  - (ii) sells or takes an order for the sale of a product to an ultimate buyer.

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