

HOUSE BILL 235

R4, C2

(5lr0564)

ENROLLED BILL

— Environment and Transportation/Judicial Proceedings —

Introduced by **Delegates Reznik, Smith, and Fraser-Hidalgo**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Distributors – Sale of Electric or**
3 **Nonfossil-Fuel Burning Vehicles**

4 FOR the purpose of authorizing a manufacturer or distributor to be licensed as a vehicle
5 dealer if the manufacturer or distributor deals only in electric or nonfossil-fuel
6 burning vehicles ~~and if~~, no dealer in the State holds a franchise from the
7 manufacturer or distributor, and the manufacturer or distributor does not have a
8 certain relationship with another manufacturer or distributor licensed as a dealer
9 under this Act; limiting the number of licenses that may be issued under this Act;
10 establishing that a certain license may only be issued for a dealership located in
11 Montgomery County; requiring the Motor Vehicle Administration to adopt
12 regulations to implement this Act; ~~authorizing certain manufacturers or distributors~~
13 ~~who deal only in electric or nonfossil-fuel burning vehicles to operate a certain~~
14 ~~dealership located in an enclosed shopping mall notwithstanding certain factors;~~

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.

Italics indicate opposite chamber/conference committee amendments.



1 making a conforming change; and generally relating to the sale of electric and
2 nonfossil-fuel burning vehicles by manufacturers and distributors.

3 BY repealing and reenacting, without amendments,

4 Article – Transportation

5 Section 15–302(a)

6 Annotated Code of Maryland

7 (2012 Replacement Volume and 2014 Supplement)

8 BY repealing and reenacting, with amendments,

9 Article – Transportation

10 Section 15–305

11 Annotated Code of Maryland

12 (2012 Replacement Volume and 2014 Supplement)

13 ~~BY adding to~~

14 ~~Article – Transportation~~

15 ~~Section 15–305.2~~

16 ~~Annotated Code of Maryland~~

17 ~~(2012 Replacement Volume and 2014 Supplement)~~

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Transportation**

21 15–302.

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

24 15–305.

25 (a) A license to deal in new vehicles may not be issued to any person unless the
26 manufacturer or distributor of the vehicles is in compliance with the surety bond
27 requirements of § 15–205 of this title.

28 (b) A license to deal in new vehicles may be issued only for a dealer in new vehicles
29 who holds a franchise from:

30 (1) The manufacturer of the vehicles; or

31 (2) A distributor who is authorized by the manufacturer or the
32 manufacturer's authorized importer of the vehicles.

1 (c) If an applicant for a license to deal in new vehicles seeks to qualify under
2 subsection (b) of this section, the applicant shall submit with the application an exact copy
3 of the required franchise.

4 (d) (1) If a franchise required by this section is terminated in accordance with
5 § 15–209 of this title, the license of the dealer shall be suspended automatically unless,
6 before the effective date of termination, the licensed dealer files satisfactory evidence that
7 the franchise has been extended. The Administration immediately shall notify the licensee
8 of the suspension.

9 (2) (i) Notwithstanding paragraph (1) of this subsection, if a franchise
10 issued to a licensee who deals in Class M motor homes or Class G travel trailers is
11 terminated for any reason, the Administration may authorize the licensee to dispose of the
12 Class M motor homes and Class G travel trailers that were in the dealer's inventory prior
13 to the franchise termination without applying for a certificate of title in the dealership's
14 name or paying the applicable excise tax.

15 (ii) The initial authorization period under subparagraph (i) of this
16 paragraph may not exceed 12 months from the date of the franchise termination.

17 (iii) After the initial authorization period under subparagraph (i) of
18 this paragraph, the Administration may review each situation on a case by case basis and
19 determine whether a further extension of time to dispose of remaining inventory is
20 warranted or whether the dealer shall be required to take title to any remaining Class M
21 motor homes and Class G travel trailers in the dealer's inventory.

22 (e) (1) Notwithstanding subsections (a) and (f) of this section, a manufacturer
23 or distributor may be licensed as a dealer [only] if the manufacturer or distributor:

24 [(1)] (I) Operates temporarily a dealership that:

25 [(i)] 1. Was previously owned by a franchised dealer; and

26 [(ii)] 2. Is for sale to any qualified person at a reasonable price;

27 [(2)] (II) Operates a dealership in a bona fide relationship in which an
28 independent person:

29 [(i)] 1. Has made a significant investment, subject to loss, in the
30 dealership; and

31 [(ii)] 2. Can reasonably expect to acquire full ownership of the
32 dealership under reasonable terms and conditions; or

33 [(3) (i)] (III) 1. Is a second-stage manufacturer as defined in §
34 13–113.2(a)(7) of this article; and

1 [(ii)] 2. Deals only in Class E (truck) vehicles with a gross weight
2 limit of 10,000 pounds or more, as defined in § 13-916 of this article.

3 (2) (I) NOTWITHSTANDING SUBSECTIONS (B) AND (F) OF THIS
4 SECTION AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A
5 MANUFACTURER OR DISTRIBUTOR MAY BE LICENSED AS A DEALER IF:

6 ~~(H)~~ 1. THE MANUFACTURER OR DISTRIBUTOR DEALS ONLY
7 IN ELECTRIC OR NONFOSSIL-FUEL BURNING VEHICLES; ~~AND~~

8 ~~(H)~~ 2. NO DEALER IN THE STATE HOLDS A FRANCHISE FROM
9 THE MANUFACTURER OR DISTRIBUTOR;

10 3. THE MANUFACTURER OR DISTRIBUTOR, OR A
11 SUBSIDIARY, AN AFFILIATE, OR A CONTROLLED ENTITY OF THE MANUFACTURER OR
12 DISTRIBUTOR, DOES NOT HOLD A CONTROLLING INTEREST IN ANOTHER
13 MANUFACTURER OR DISTRIBUTOR, OR A SUBSIDIARY, AN AFFILIATE, OR A
14 CONTROLLED ENTITY OF THE OTHER MANUFACTURER OR DISTRIBUTOR, THAT IS
15 LICENSED AS A DEALER UNDER THIS PARAGRAPH; AND

16 4. NO OTHER MANUFACTURER OR DISTRIBUTOR, OR
17 SUBSIDIARY, AFFILIATE, OR CONTROLLED ENTITY OF THE OTHER MANUFACTURER
18 OR DISTRIBUTOR, THAT IS LICENSED AS A DEALER UNDER THIS PARAGRAPH, HOLDS
19 A CONTROLLING INTEREST IN THE MANUFACTURER OR DISTRIBUTOR, OR A
20 SUBSIDIARY, AN AFFILIATE, OR A CONTROLLED ENTITY OF THE MANUFACTURER OR
21 DISTRIBUTOR.

22 ~~(H) 1. SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS~~
23 ~~SUBPARAGRAPH, NO MORE THAN TWO LICENSES MAY BE ISSUED UNDER THIS~~
24 ~~PARAGRAPH.~~

25 ~~2. ONE LICENSE ISSUED UNDER THIS PARAGRAPH MAY~~
26 ~~ONLY BE ISSUED FOR A DEALERSHIP LOCATED IN MONTGOMERY COUNTY.~~

27 (II) NO MORE THAN SIX FOUR LICENSES MAY BE ISSUED UNDER
28 THIS PARAGRAPH.

29 (III) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO
30 IMPLEMENT THIS PARAGRAPH.

31 (f) A manufacturer or distributor, or a person who is acting for a partnership or
32 corporation that is owned or controlled by or under common control with a manufacturer
33 or distributor, may not sell a new vehicle to a retail buyer.

1 ~~15-305.2.~~

2 ~~NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MANUFACTURER OR~~
3 ~~DISTRIBUTOR LICENSED AS A DEALER IN ACCORDANCE WITH § 15-305(E)(2) OF THIS~~
4 ~~SUBTITLE MAY OPERATE, IN ADDITION TO ANY OTHER DEALERSHIP AUTHORIZED~~
5 ~~UNDER THIS SUBTITLE, ONE DEALERSHIP LOCATED IN AN ENCLOSED SHOPPING~~
6 ~~MALL EVEN IF THE DEALERSHIP:~~

7 ~~(1) DOES NOT FACE OR ADJOIN, AND IS NOT FULLY VISIBLE FROM, AN~~
8 ~~IMPROVED STREET OR HIGHWAY;~~

9 ~~(2) CANNOT ACCOMMODATE THE DISPLAY OF 10 VEHICLES OR~~
10 ~~CUSTOMER PARKING; AND~~

11 ~~(3) DOES NOT HAVE A PERMANENTLY AFFIXED SIGN OR A SIGN THAT~~
12 ~~IS REASONABLY LEGIBLE FROM THE STREET OR HIGHWAY.~~

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.