HOUSE BILL 313

R4 5lr2441 CF SB 298

By: Delegate Beidle

Introduced and read first time: February 5, 2015 Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2015

CHAPTER

1 AN ACT concerning

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Motor Vehicle Administration - Temporary Registration Plates - Regulations Vehicle Laws - Dealers - Financing or Leasing Agreements

FOR the purpose of requiring the Motor Vehicle Administration to adopt regulations to govern the issuance of a temporary registration plate to a vehicle buyer that accepts delivery of the vehicle before all the agreements of the parties become final; and generally relating to regulations governing the issuance of temporary registration plates requiring that a certain notice be provided to a buyer purchasing a vehicle through dealer-arranged financing or leasing before approval of a third-party financial institution has been received; requiring a dealer to notify a buyer in writing if the terms of a certain financing or lease agreement are not approved by a third party finance source within a certain period of time; requiring a buyer to return a vehicle to a dealer within a certain period of time under certain circumstances: authorizing a dealer to repossess a vehicle in accordance with certain provisions of law under certain circumstances; authorizing a dealer and a buyer to agree on new financing or leasing terms under certain circumstances; authorizing a dealer or a buyer to cancel a sale under certain circumstances; requiring a dealer to return any trade—in vehicle, down payment, titling fee and excise tax, dealer processing charge, and any other fee, tax, or charge to a buyer if a certain sale is canceled; prohibiting a dealer from charging a fee to a buyer for the use of a vehicle if a certain sale is canceled; stating that certain provisions of law apply to a financing or lease agreement between a dealer and a buyer; and generally relating to sales contracts and financing or leasing agreements for vehicles.

BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



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	2	HOUSE BILL 313
1	$\frac{\Delta wti}{}$	icle - Transportation
$\stackrel{-}{2}$		tion 13-602
3		notated Code of Maryland
4		12 Replacement Volume and 2014 Supplement)
	(= 3 -	
5	BY adding	<u>; to</u>
6	Arti	icle - Transportation
7	Sect	tion 15–311.3
8	<u>Ann</u>	notated Code of Maryland
9	<u>(201</u>	12 Replacement Volume and 2014 Supplement)
10		CTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
11	That the L	Laws of Maryland read as follows:
10		A
12		Article – Transportation
13	15-311.3	
10	19-311.0.	<u>-</u>
14	(A)	(1) FOR A BUYER PURCHASING A VEHICLE THROUGH
15		ARRANGED FINANCING OR LEASING BEFORE APPROVAL OF A
16		ARTY INSTITUTION HAS BEEN RECEIVED, THE FOLLOWING NOTICE SHALL
17		IDED TO THE BUYER IN A SEPARATE DOCUMENT AND SIGNED BY THE
18		AND THE BUYER:
10	DEALER A	IND THE BUTER.
19	"Fc	OR FINANCE OR LEASE SALES: THE FINANCING OR LEASE AGREEMENT YOU
$\frac{19}{20}$	-	INTO WITH THE DEALER MAY NOT BE FINAL AND MUST BE APPROVED BY A
$\frac{20}{21}$		ARTY FINANCIAL INSTITUTION. IF THE TERMS ARE APPROVED, THE SALE
$\frac{21}{22}$		· · · · · · · · · · · · · · · · · · ·
	<u> </u>	BE CANCELED. IF THE TERMS ARE NOT APPROVED, THE DEALER MUST
23		OU IN WRITING WITHIN 3 DAYS OF DELIVERY OF THE VEHICLE TO YOU, AND
24		THE DEALER MAY CANCEL THIS SALE. IF THE SALE IS CANCELED, THE
25 26	-	DELIVERED TO YOU MUST BE RETURNED TO THE DEALER IN THE SAME
26		ON IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR, WITHIN 2
27		YOUR RECEIPT OF A WRITTEN NOTICE OF THE THIRD-PARTY REJECTION.
28		YOU AND THE DEALER AGREE ON DIFFERENT TERMS, ANY DOWN PAYMENT,
29		FEE, EXCISE TAX, DEALER PROCESSING CHARGE, OR ANY OTHER FEE, TAX,
30		GE ASSOCIATED WITH THE TRANSACTION, AND ANY TRADE-IN VEHICLE, IN
31		E CONDITION IN WHICH THE DEALER RECEIVED THE VEHICLE, WILL BE
32		ED TO YOU IMMEDIATELY AND YOU MAY NOT BE CHARGED A FEE FOR USE
33		EHICLE THAT WAS THE SUBJECT OF THE SALE. IF YOU FEEL THE DEALER
34	HAS FAIL	ED TO COMPLY WITH THE TERMS OF THIS NOTICE, YOU MAY CONTACT THE

37 A COPY OF THE SIGNED NOTICE SHALL BE PROVIDED TO THE 38 BUYER BEFORE DELIVERY OF THE VEHICLE TO THE BUYER.

THE OFFICE OF THE ATTORNEY GENERAL.".

MOTOR VEHICLE ADMINISTRATION OR THE CONSUMER PROTECTION DIVISION OF

1	(B) A DEALER SHALL NOTIFY A BUYER IN WRITING IF THE TERMS OF A
2	FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A BUYER ARE NOT
3	APPROVED BY A THIRD-PARTY FINANCE SOURCE WITHIN 3 DAYS OF DELIVERY OF A
4	VEHICLE TO THE BUYER.
_	(a) (1) To make the control of the c
5	(C) (1) IF THE TERMS OF A FINANCING OR LEASE AGREEMENT BETWEEN
6 7	A DEALER AND A BUYER ARE NOT APPROVED BY A THIRD-PARTY FINANCE SOURCE, THE BUYER SHALL RETURN THE VEHICLE TO THE DEALER IN THE SAME CONDITION
8	IN WHICH THE BUYER RECEIVED THE VEHICLE, EXCEPT FOR NORMAL WEAR AND
9	TEAR, WITHIN 2 DAYS OF DELIVERY OF THE NOTICE REQUIRED UNDER SUBSECTION
10	(A) OF THIS SECTION.
10	THE SECTION
11	(2) IF A BUYER DOES NOT RETURN THE VEHICLE TO THE DEALER AS
12	REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEALER MAY
13	REPOSSESS THE VEHICLE IN ACCORDANCE WITH § 12–624 OF THE COMMERCIAL
14	LAW ARTICLE.
15	(D) (1) A DEALER AND A BUYER MAY AGREE ON NEW FINANCING OR
16	LEASING TERMS ON RETURN OF A VEHICLE UNDER SUBSECTION (C)(1) OF THIS
17	SECTION.
18	(2) (I) IF A DEALER AND A BUYER DO NOT AGREE ON NEW
19	FINANCING OR LEASING TERMS, THE DEALER OR THE BUYER MAY CANCEL THE SALE.
20	(II) IF A SALE IS CANCELED UNDER SUBPARAGRAPH (I) OF THIS
21	PARAGRAPH, THE DEALER:
0.0	1
22	1. SHALL RETURN TO THE BUYER:
23	A. ANY TRADE-IN VEHICLE IN THE SAME CONDITION IN
$\frac{23}{24}$	WHICH THE DEALER RECEIVED THE VEHICLE;
- 1	WIIICII IIIE BEMBER RECEIVED IIIE VEIIICEE,
25	B. ANY DOWN PAYMENT;
	
26	C. THE TITLING FEE AND EXCISE TAX PAID UNDER TITLE
27	13, SUBTITLE 8 OF THIS ARTICLE;
	D
28	D. ANY DEALER PROCESSING CHARGE; AND
29	E. ANY OTHER FEE, TAX, OR CHARGE ASSOCIATED WITH
30	THE TRANSACTION; AND

1	2. MAY NOT CHARGE THE BUYER A FEE FOR THE USE OF
2	THE VEHICLE.
3	(E) THE PROVISIONS OF §§ 12–609 AND 12–1023 OF THE COMMERCIAL LAW
4	ARTICLE APPLY TO A FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A
5	BUYER.
J	DOTHINI
6	13-602.
7	(a) (1) (i) Subject to the provisions of this part, a licensed dealer may issue
8	one temporary registration plate for a vehicle to the person who buys the vehicle from the
9	dealer, whether or not the vehicle is to be registered in this State.
10	(ii) The dealer may not issue more than one temporary registration
11	for any vehicle.
11	tor any venicle.
12	(2) A licensed dealer may issue a temporary registration plate to a vehicle
13	buyer who is subject to a penalty for lapsed security for another vehicle under § 17-106 of
14	this article.
15	(b) Before a temporary registration plate may be issued for a vehicle, the buyer of
16	the vehicle shall complete and deliver to the dealer a temporary registration plate
17	application, on the form that the Administration requires.
18	(a) On the same day that a dealer issues a termoremy registration plate for a
19	(c) On the same day that a dealer issues a temporary registration plate for a vehicle, the dealer shall:
19	venicle, the dealer shan.
20	(1) Send to the Administration a copy of the temporary registration plate
$\frac{1}{21}$	application completed by the buyer of the vehicle; and
22	(2) Electronically transmit to the Administration, in the format that the
23	Administration requires, the vehicle, owner, insurance, and temporary registration
24	information contained on the temporary registration plate application.
25	(D) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO GOVERN THE
26	ISSUANCE OF A TEMPORARY REGISTRATION PLATE TO A VEHICLE BUYER THAT
27	ACCEPTS DELIVERY OF THE VEHICLE BEFORE ALL THE AGREEMENTS OF THE
28	PARTIES BECOME FINAL.
29	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30	October 1, 2015.