Article - Transportation

§15–305.

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

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

(1) The manufacturer of the vehicles; or

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

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

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

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

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

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

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

(i) Operates temporarily a dealership that:

1. Was previously owned by a franchised dealer; and

2. Is for sale to any qualified person at a reasonable price;

(ii) Operates a dealership in a bona fide relationship in which an independent person:

1. Has made a significant investment, subject to loss, in the dealership; and

2. Can reasonably expect to acquire full ownership of the dealership under reasonable terms and conditions; or

(iii) 1. Is a second–stage manufacturer as defined in § 13–113.2(a)(7) of this article; and

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

(2) (i) Notwithstanding subsections (b) and (f) of this section and subject to subparagraph (ii) of this paragraph, a manufacturer or distributor may be licensed as a dealer if:

1. The manufacturer or distributor deals only in electric or nonfossil–fuel burning vehicles;

2. No dealer in the State holds a franchise from the manufacturer or distributor;

3. The manufacturer or distributor, or a subsidiary, an affiliate, or a controlled entity of the manufacturer or distributor, does not hold a controlling interest in another manufacturer or distributor, or a subsidiary, an affiliate, or a controlled entity of the other manufacturer or distributor, that is licensed as a dealer under this paragraph; and

4. No other manufacturer or distributor, or subsidiary, affiliate, or controlled entity of the other manufacturer or distributor, that is licensed as a dealer under this paragraph, holds a controlling interest in the manufacturer or distributor, or a subsidiary, an affiliate, or a controlled entity of the manufacturer or distributor.

(ii) No more than four licenses may be issued under this paragraph.

(iii) The Administration shall adopt regulations to implement this paragraph.

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