

# HOUSE BILL 1273

R4

4lr2678  
CF SB 1003

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By: **Delegate Pruski**

Introduced and read first time: February 8, 2024

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Dealers – Delivery of Vehicles**

3 FOR the purpose of establishing that certain requirements for motor vehicle  
4 manufacturers, distributors, and factory branches to deliver new motor vehicles to  
5 licensed dealers apply after ~~submission~~ receipt of an electronic order ~~or acceptance~~  
6 ~~of an allocation~~; and generally relating to motor vehicle manufacturers and dealers.

7 BY repealing and reenacting, with amendments,

8 Article – Transportation

9 Section 15–208

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2023 Supplement)

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

13 That the Laws of Maryland read as follows:

14 **Article – Transportation**

15 15–208.

16 (a) A manufacturer may not refuse to deliver new motor vehicles, new two–stage  
17 vehicles, or truck component parts, as the case may be, to a licensed dealer or distributor,  
18 in reasonable quantities and within a reasonable time after ~~receipt of a written~~ OR  
19 ELECTRONIC order ~~]~~ ~~SUBMISSION OF AN ORDER OR ACCEPTANCE OF AN ALLOCATION,~~  
20 if:

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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.



1 (1) The manufacturer specifically advertises that these vehicles or truck  
2 component parts are available for immediate delivery; and

3 (2) The dealer or distributor has a franchise or other contract with the  
4 manufacturer for the sale of these vehicles or truck component parts to the public.

5 (b) A distributor may not refuse to deliver new motor vehicles, or new two-stage  
6 vehicles, as the case may be, to a licensed dealer, in reasonable quantities and within a  
7 reasonable time after ~~receipt of a written~~ OR ELECTRONIC order ~~SUBMISSION OF AN~~  
8 ~~ORDER OR ACCEPTANCE OF AN ALLOCATION~~, if:

9 (1) The distributor specifically advertises that these vehicles are available  
10 for immediate delivery; and

11 (2) The dealer has a franchise or other contract with the distributor for the  
12 sale of these vehicles to the public.

13 (c) A factory branch may not refuse to deliver new motor vehicles, or new  
14 two-stage vehicles, as the case may be, to a licensed dealer, in reasonable quantities and  
15 within a reasonable time after ~~receipt of a written~~ OR ELECTRONIC order ~~SUBMISSION~~  
16 ~~OF AN ORDER OR ACCEPTANCE OF AN ALLOCATION~~, if:

17 (1) The factory branch specifically advertises that these vehicles are  
18 available for immediate delivery; and

19 (2) The dealer has a franchise or other contract with the factory branch for  
20 the sale of these vehicles to the public.

21 (d) A failure to deliver vehicles because of a labor strike, government regulation,  
22 or other cause not the fault of the manufacturer, distributor, or factory branch is not a  
23 violation of this section.

24 (e) If a dealer has a franchise or other contract with a manufacturer, distributor,  
25 or factory branch for the sale of vehicles or truck component parts of a specific line or make,  
26 the manufacturer, distributor, or factory branch shall allow the dealer to:

27 (1) Purchase the vehicles or truck component parts at the same price and  
28 on the same terms as all other dealers with a franchise or other contract for the sale of  
29 vehicles or truck component parts of the same line or make; and

30 (2) Receive the same right to incentive payments that is given to all other  
31 dealers with a franchise or other contract for the sale of vehicles or truck component parts  
32 of the same line or make.

1 (f) (1) Any system operated by a manufacturer, distributor, or factory branch  
2 or its affiliate for the allocation of new vehicles to dealers shall be reasonable and fair for  
3 all dealers.

4 (2) On the written request by any of its dealers, a manufacturer,  
5 distributor, or factory branch or its affiliate shall disclose to the dealer the method by which  
6 new vehicles are allocated to dealers of the same line make.

7 (3) In any dispute over compliance with this subsection, a manufacturer,  
8 distributor, or factory branch or its affiliate has the burden of proving its compliance.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 October 1, 2024.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.