

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 968

(Senator Waldstreicher)

Judicial Proceedings

Vehicle Laws - Manufacturers and Dealers - Standing of Dealer Associations

This bill allows a dealer association on behalf of itself, a dealer, or a group of dealers to bring an action in any court of competent jurisdiction against any person to recover damages and reasonable attorneys' fees for financial injury or other damages as a result of a violation of State law applicable to manufacturers, distributors, and factory branches. In addition, a dealer association (again, on behalf of itself, a dealer, or group of dealers) may request a hearing with the Motor Vehicle Administration (MVA) to either (1) resolve a dispute between a dealer, a designated dealer successor, or a dealer association and a manufacturer, distributor, or factory branch or (2) seek clarification or interpretation of any provision of applicable law. "Dealer association" means a business entity that is primarily owned by or composed of dealers and primarily represents the interests of dealers.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances; any increase in caseload for MVA, the Office of Administrative Hearings, and the District Court can be handled with existing resources.

Local Effect: The bill does not materially affect circuit court operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In addition to any administrative or criminal sanctions imposed by laws applicable to a manufacturer, distributor, or factory branch, if a person suffers financial injury or other damage as a result of a violation of the law by any other person, whether or

not that other person has been found guilty of a criminal violation, the injured person may recover damages and reasonable attorneys' fees in any court of competent jurisdiction. Under the Transportation Article, "person" includes an individual, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind and any partnership, firm, association, public or private corporation, or other entity.

Also, a dealer, designated dealer successor, as specified, manufacturer, distributor, or factory branch may request a hearing under Title 12, Subtitle 2 of the Transportation Article to (1) resolve a dispute under any provision of the Transportation Article between a dealer or a designated dealer successor and a manufacturer, distributor, or factory branch or (2) seek clarification or interpretation of any provision of applicable law. A hearing held under the Maryland Vehicle Law must be conducted in accordance with the provisions governing contested cases under the Administrative Procedure Act. An aggrieved party to a hearing involving a dispute (as specified above) may appeal a decision or order of MVA to the Circuit Court for Anne Arundel County.

Small Business Effect: In addition to requesting a hearing with MVA to resolve a dispute, dealer associations that qualify as small businesses may benefit from having standing to bring a lawsuit against a manufacturer, distributor, or factory branch to recover damages and reasonable attorneys' fees for violations of the law.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1275 (Delegate Amprey) - Economic Matters.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Office of Administrative Hearings; Department of Legislative Services

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