

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 428 (Senator Jimeno)

Judicial Proceedings

Referred to Commerce and Government Matters

**Vehicle Laws - Vehicle Dealer Franchises and Manufacturers, Distributors, and
Factory Branches**

This amended bill prohibits a vehicle manufacturer, distributor, or factory branch from requiring or coercing a dealer (1) to materially change a dealer's facilities or method of conducting business if the change would result in financial hardship; (2) to eliminate a dealership for which the dealer has a franchise agreement to utilize the facilities as of March 1, 1996; or (3) to adhere to performance standards that are not applied uniformly to other similarly situated dealers. The bill also prohibits a franchise agreement from containing any provision requiring a dealer to pay attorney's fees incurred by the manufacturer, distributor, or factory branch for disputes involving the franchise.

The bill establishes procedures for a dealer to designate the successor of a dealership to certain persons in the event of the death or incapacity of the dealer. The bill provides that a dealer, designated dealer successor, manufacturer, distributor, or factory branch may request a hearing to resolve a dispute.

Fiscal Summary

State Effect: None. Any increase in hearings can be absorbed within existing budgeted resources of the Office of Administrative Hearings.

Local Effect: None.

Information Source(s): Office of Administrative Hearings, Department of Transportation,
Department of Fiscal Services

Fiscal Note History: First Reader - February 20, 1996

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