

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 537 (Senator Colburn)

Finance

Commercial Law - Personal Sportsmobile Equipment Dealers

This bill alters the definition of the term “dealer” to include retail dealers of “personal sportsmobiles” in the provisions of law that relate to equipment dealer contracts. Personal sportsmobiles include all-terrain vehicles, motorcycles, snowmobiles, and personal watercrafts. The protections and rights provided to personal sportsmobile dealers in the bill do not supersede any protections or rights provided to personal sportmobile dealers under specified provisions of the Transportation Article that govern the vehicle laws relating to the licensing of manufacturers, distributors, and factory branches (i.e., prohibiting manufacturers from coercing dealers or refusing to deliver vehicles). In the event of a conflict, the provisions of the Transportation Article prevail over the provisions of the bill.

Fiscal Summary

State Effect: None. Assuming that the Consumer Protection Division receives fewer than 50 complaints as a result of this bill, any additional workload could be handled with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Fiscal Analysis

Small Business Effect: This bill would benefit personal sportsmobile dealers. The bill provides that when a contract between a dealer and a supplier is terminated by either party, the supplier must repurchase the dealer's inventory within 90 days. As a result, the dealer would no longer assume the risk of holding the supplier's inventory. If a supplier fails to repurchase, the dealer may bring a civil suit. The bill also prohibits a supplier from terminating, canceling, or failing to renew a contract without good cause, and requires a supplier that plans to unilaterally terminate a contract to notify the dealer within 180 days of the effective date of termination. A person that suffers monetary loss due to a violation of this bill may bring a civil suit to enjoin further violation and to recover damages, including reasonable attorney fees.

Information Sources: Office of the Attorney General

Fiscal Note History: First Reader - March 8, 1999

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