
By: **Delegates Sophocleus and Wood**

Rules suspended

Introduced and read first time: March 5, 2002

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Unlicensed Dealers**

3 FOR the purpose of providing that the violation of conducting the business of a motor
4 vehicle dealer without a dealer's license is an arrestable offense; prohibiting the
5 release of a person arrested for conducting the business of a motor vehicle dealer
6 without a dealer's license under certain conditions; altering the penalty for
7 conducting the business of a motor vehicle dealer without a dealer's license; and
8 generally relating to a prohibition against conducting the business of a motor
9 vehicle dealer without a dealer's license.

10 BY repealing and reenacting, without amendments,
11 Article - Transportation
12 Section 15-101(b) and 15-302
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2001 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Transportation
17 Section 26-202, 26-402, and 27-101(i)
18 Annotated Code of Maryland
19 (1999 Replacement Volume and 2001 Supplement)

20 BY adding to
21 Article - Transportation
22 Section 27-101(v)
23 Annotated Code of Maryland
24 (1999 Replacement Volume and 2001 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
26 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Transportation

2 15-101.

3 (b) (1) "Dealer" means, except as provided in paragraph (3) of this
4 subsection, a dealer in vehicles of a type required to be registered under Title 13 of
5 this article.

6 (2) "Dealer" includes:

7 (i) A person who is in the business of buying, selling, or exchanging
8 vehicles, including a person who during any 12-month period offers to sell five or
9 more of these vehicles, the ownership of which was acquired for resale purposes; and

10 (ii) For the purposes of §§ 15-301 through 15-315, inclusive, of this
11 title, any person who sells vehicles, whether or not that person acquired the vehicles
12 for personal or business use, if the vehicles are displayed at a fixed location used
13 principally for the purpose of selling vehicles on a regular basis.

14 (3) "Dealer" does not include:

15 (i) A public official who sells or disposes of vehicles in the
16 performance of his official duties;

17 (ii) An insurance company, finance company, bank, or other lending
18 institution licensed or otherwise authorized to do business in this State that, to save
19 it from loss, sells or disposes of vehicles under a contractual right and in the regular
20 course of its business;

21 (iii) A licensed auctioneer acting on behalf of a seller, secured party
22 or owner and where title does not pass to the auctioneer and the auction is not for the
23 purpose of avoiding the provisions of this title;

24 (iv) A receiver, trustee, personal representative, or other person
25 appointed by or acting under the authority of any court;

26 (v) Either a manufacturer or distributor who sells or distributes
27 vehicles to licensed dealers or a person employed by a manufacturer or distributor to
28 promote the sale of the vehicles of the manufacturer or distributor, if that
29 manufacturer, distributor, or person does not sell vehicles to retail buyers;

30 (vi) A person who sells or disposes of vehicles acquired and used for
31 personal or business use and not for the purpose of avoiding the provisions of this
32 title, if that person is not engaged in buying, selling, or exchanging vehicles as a
33 business;

34 (vii) An automotive dismantler and recycler who during the normal
35 course of business acquires a salvage vehicle and transfers the vehicle on a salvage
36 certificate. However, if the automotive dismantler and recycler rebuilds and sells
37 more than 5 vehicles during a 12-month period to a person other than another

1 automotive dismantler and recycler or licensed dealer, the automotive dismantler and
2 recycler must be licensed as a dealer under § 15-302 of this subtitle;

3 (viii) A person engaged in the leasing of motor vehicles under leases
4 not intended as security; or

5 (ix) A religious, charitable, or volunteer organization exempt from
6 taxation under § 501(c) of the Internal Revenue Code, the Department of Human
7 Resources, or a local department of social services transferring a vehicle under §
8 13-810 of this article.

9 15-302.

10 (a) A person may not conduct the business of a dealer unless the person is
11 licensed by the Administration under this subtitle.

12 (b) Any person who has been refused a dealer's license in this State or whose
13 dealer's license is revoked or suspended may not conduct the business of a dealer
14 under any license, permit, or registration certificate issued by any other jurisdiction.

15 26-202.

16 (a) A police officer may arrest without a warrant a person for a violation of the
17 Maryland Vehicle Law, including any rule or regulation adopted under it, or for a
18 violation of any traffic law or ordinance of any local authority of this State, if:

19 (1) The person has committed or is committing the violation within the
20 view or presence of the officer, and the violation is any of the following:

21 (i) A violation of § 21-1411 or § 22-409 of this article, relating to
22 vehicles transporting hazardous materials; or

23 (ii) A violation of § 24-111 or § 24-111.1 of this article, relating to
24 the failure or refusal to submit a vehicle to a weighing or to remove excess weight
25 from it;

26 (2) The person has committed or is committing the violation within the
27 view or presence of the officer, and either:

28 (i) The person does not furnish satisfactory evidence of identity; or

29 (ii) The officer has reasonable grounds to believe that the person
30 will disregard a traffic citation;

31 (3) The officer has probable cause to believe that the person has
32 committed the violation, and the violation is any of the following offenses:

33 (i) Driving or attempting to drive while under the influence of
34 alcohol, while impaired by alcohol, or in violation of an alcohol restriction;

1 (ii) Driving or attempting to drive while impaired by any drug, any
2 combination of drugs, or any combination of one or more drugs and alcohol or while
3 impaired by any controlled dangerous substance;

4 (iii) Failure to stop, give information, or render reasonable
5 assistance, as required by §§ 20-102 and 20-104 of this article, in the event of an
6 accident resulting in bodily injury to or death of any person;

7 (iv) Driving or attempting to drive a motor vehicle while the driver's
8 license or privilege to drive is suspended or revoked;

9 (v) Failure to stop or give information, as required by §§ 20-103
10 through 20-105 of this article, in the event of an accident resulting in damage to a
11 vehicle or other property;

12 (vi) Any offense that caused or contributed to an accident resulting
13 in bodily injury to or death of any person; [or]

14 (vii) Fleeing or attempting to elude a police officer; OR

15 (VIII) CONDUCTING THE BUSINESS OF A MOTOR VEHICLE DEALER
16 WITHOUT A DEALER'S LICENSE AS REQUIRED BY § 15-302 OF THIS ARTICLE;

17 (4) The person is a nonresident and the officer has probable cause to
18 believe that:

19 (i) The person has committed the violation; and

20 (ii) The violation contributed to an accident; or

21 (5) The officer has probable cause to believe that the person has
22 committed the violation, and, subject to the procedures set forth in § 26-203 of this
23 subtitle, the person is issued a traffic citation and refuses to acknowledge its receipt
24 by signature.

25 (b) An arrest under this section shall be made in the same manner as, and
26 without more force than, in misdemeanor cases.

27 (c) (1) [A] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A person
28 arrested under this section shall be taken without unnecessary delay before a District
29 Court commissioner, as specified in § 26-401 of this title, unless the arresting officer
30 in his discretion releases the individual upon the individual's written promise to
31 appear for trial.

32 (2) A PERSON ARRESTED UNDER SUBSECTION (A)(3)(VIII) OF THIS
33 SECTION FOR A VIOLATION OF § 15-302 OF THIS ARTICLE SHALL BE TAKEN BEFORE A
34 DISTRICT COURT COMMISSIONER AND MAY NOT BE RELEASED BY THE ARRESTING
35 OFFICER.

1 26-402.

2 (a) This section does not apply if the alleged offense is any of the offenses
3 enumerated in § 26-202(a)(3)(i), (ii), (iii), [and] (iv), AND (VIII) of this title.

4 (b) If a police officer arrests a person and takes him before a District Court
5 commissioner as provided in this title, the person shall be released on issuance of a
6 written citation if:

7 (1) A commissioner is not available;

8 (2) A judge, clerk, or other public officer, authorized to accept bail for the
9 court is not available; and

10 (3) The person charged gives his written promise to appear in court.

11 27-101.

12 (i) Any person who is convicted of a violation of any of the provisions of [§
13 15-302 of this article ("Dealer's license required"), § 15-402 of this article ("Vehicle
14 salesman's license required"), or] OR § 15-502(a) of this article ("Automotive
15 dismantler and recycler or scrap processor -- License required") is subject to:

16 (1) For a first offense, a fine of not more than \$1,000 or imprisonment for
17 not more than 6 months or both; and

18 (2) For any subsequent offense, a fine of not more than \$2,000 or
19 imprisonment for not more than 1 year or both.

20 (V) ANY PERSON WHO IS CONVICTED OF A VIOLATION OF § 15-302 OF THIS
21 ARTICLE ("DEALER'S LICENSE REQUIRED") IS SUBJECT TO A FINE OF NOT MORE
22 THAN \$5,000 OR IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR BOTH.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2002.