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By: **Delegate Barve**

Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Maryland Gasohol and Gasoline Products Marketing Act**  
 3 **- Marketing Premises**

4 FOR the purpose of prohibiting a distributor under the Maryland Gasohol and  
 5 Gasoline Products Marketing Act from selling, transferring, or assigning to  
 6 another person the distributor's fee simple or leasehold interest in certain  
 7 premises leased to a dealer unless the distributor makes certain offers of the  
 8 distributor's interest to the dealer; defining certain terms; and generally  
 9 relating to premises leased to dealers under the Maryland Gasohol and Gasoline  
 10 Products Marketing Act.

11 BY adding to  
 12 Article - Commercial Law  
 13 Section 11-304(n)  
 14 Annotated Code of Maryland  
 15 (2000 Replacement Volume and 2004 Supplement)

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

18 **Article - Commercial Law**

19 11-304.

20 (N) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
 21 MEANINGS INDICATED.

22 (II) "BOOK VALUE" MEANS ACTUAL COST LESS ACTUAL  
 23 DEPRECIATION TAKEN.

24 (III) "MARKETING PREMISES" MEANS THE PREMISES THAT, UNDER  
 25 A MARKETING AGREEMENT, ARE TO BE USED BY THE DEALER IN CONNECTION WITH  
 26 THE SALE, CONSIGNMENT, OR DISTRIBUTION OF MOTOR FUEL.

27 (2) IF A DISTRIBUTOR OWNS A FEE SIMPLE INTEREST IN MARKETING  
 28 PREMISES LEASED TO A DEALER, THE DISTRIBUTOR MAY NOT SELL, TRANSFER, OR

1 ASSIGN TO ANOTHER PERSON THE DISTRIBUTOR'S INTEREST IN THE MARKETING  
2 PREMISES UNLESS THE DISTRIBUTOR:

3 (I) MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR ASSIGN TO  
4 THE DEALER THE DISTRIBUTOR'S INTEREST IN THE MARKETING PREMISES; OR

5 (II) IF APPLICABLE, OFFERS A RIGHT OF FIRST REFUSAL TO THE  
6 DEALER OF ANY BONA FIDE OFFER ACCEPTABLE TO THE DISTRIBUTOR MADE BY  
7 ANOTHER PERSON TO PURCHASE THE DISTRIBUTOR'S INTEREST IN THE MARKETING  
8 PREMISES.

9 (3) IF A DISTRIBUTOR LEASES MARKETING PREMISES FROM A THIRD  
10 PARTY AND SUBLEASES THE MARKETING PREMISES TO A DEALER, THE DISTRIBUTOR  
11 MAY NOT SELL, TRANSFER, OR ASSIGN TO ANOTHER PERSON THE DISTRIBUTOR'S  
12 INTEREST IN THE THIRD PARTY LEASE UNLESS THE DISTRIBUTOR:

13 (I) 1. MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR  
14 ASSIGN TO THE DEALER THE DISTRIBUTOR'S INTEREST IN THE THIRD PARTY LEASE;  
15 AND

16 2. MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR  
17 ASSIGN TO THE DEALER THE DISTRIBUTOR'S INTEREST IN ANY IMPROVEMENTS OR  
18 EQUIPMENT OWNED BY THE DISTRIBUTOR AND LOCATED ON THE MARKETING  
19 PREMISES, EXCEPT FOR SIGNS DISPLAYING THE INSIGNIA OR ANY OTHER  
20 TRADEMARK, SERVICE MARK, COPYRIGHT, OR PATENTED EQUIPMENT OF THE  
21 DISTRIBUTOR OR THE SUPPLIER OF THE DISTRIBUTOR, AT A PRICE NOT EXCEEDING  
22 THE GREATER OF THE FAIR MARKET VALUE OR THE BOOK VALUE OF THE  
23 IMPROVEMENTS AND EQUIPMENT; OR

24 (II) IF APPLICABLE, OFFERS A RIGHT OF FIRST REFUSAL TO THE  
25 DEALER OF ANY BONA FIDE OFFER ACCEPTABLE TO THE DISTRIBUTOR MADE BY  
26 ANOTHER PERSON TO ACQUIRE THE DISTRIBUTOR'S INTEREST IN THE THIRD PARTY  
27 LEASE AND THE IMPROVEMENTS AND EQUIPMENT LOCATED AT THE MARKETING  
28 PREMISES.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
30 effect October 1, 2005.