

HOUSE BILL 313

R4

5lr2441
CF SB 298

By: **Delegate Beidle**

Introduced and read first time: February 5, 2015

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2015

CHAPTER _____

1 AN ACT concerning

2 ~~Motor Vehicle Administration – Temporary Registration Plates – Regulations~~
3 Vehicle Laws – Dealers – Financing or Leasing Agreements

4 FOR the purpose of ~~requiring the Motor Vehicle Administration to adopt regulations to~~
5 ~~govern the issuance of a temporary registration plate to a vehicle buyer that accepts~~
6 ~~delivery of the vehicle before all the agreements of the parties become final; and~~
7 ~~generally relating to regulations governing the issuance of temporary registration~~
8 ~~plates~~ requiring that a certain notice be provided to a buyer purchasing a vehicle
9 through dealer-arranged financing or leasing before approval of a third-party
10 financial institution has been received; requiring a dealer to notify a buyer in writing
11 if the terms of a certain financing or lease agreement are not approved by a third
12 party finance source within a certain period of time; requiring a buyer to return a
13 vehicle to a dealer within a certain period of time under certain circumstances;
14 authorizing a dealer to repossess a vehicle in accordance with certain provisions of
15 law under certain circumstances; authorizing a dealer and a buyer to agree on new
16 financing or leasing terms under certain circumstances; authorizing a dealer or a
17 buyer to cancel a sale under certain circumstances; requiring a dealer to return any
18 trade-in vehicle, down payment, titling fee and excise tax, dealer processing charge,
19 and any other fee, tax, or charge to a buyer if a certain sale is canceled; prohibiting
20 a dealer from charging a fee to a buyer for the use of a vehicle if a certain sale is
21 canceled; stating that certain provisions of law apply to a financing or lease
22 agreement between a dealer and a buyer; and generally relating to sales contracts
23 and financing or leasing agreements for vehicles.

24 ~~BY repealing and reenacting, with amendments,~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Article – Transportation~~
 2 ~~Section 13-602~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2012 Replacement Volume and 2014 Supplement)~~

5 BY adding to
 6 Article – Transportation
 7 Section 15-311.3
 8 Annotated Code of Maryland
 9 (2012 Replacement Volume and 2014 Supplement)

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

12 **Article – Transportation**

13 **15-311.3.**

14 **(A) (1) FOR A BUYER PURCHASING A VEHICLE THROUGH**
 15 **DEALER-ARRANGED FINANCING OR LEASING BEFORE APPROVAL OF A**
 16 **THIRD-PARTY INSTITUTION HAS BEEN RECEIVED, THE FOLLOWING NOTICE SHALL**
 17 **BE PROVIDED TO THE BUYER IN A SEPARATE DOCUMENT AND SIGNED BY THE**
 18 **DEALER AND THE BUYER:**

19 **“FOR FINANCE OR LEASE SALES: THE FINANCING OR LEASE AGREEMENT YOU**
 20 **ENTERED INTO WITH THE DEALER MAY NOT BE FINAL AND MUST BE APPROVED BY A**
 21 **THIRD-PARTY FINANCIAL INSTITUTION. IF THE TERMS ARE APPROVED, THE SALE**
 22 **CANNOT BE CANCELED. IF THE TERMS ARE NOT APPROVED, THE DEALER MUST**
 23 **NOTIFY YOU IN WRITING WITHIN 3 DAYS OF DELIVERY OF THE VEHICLE TO YOU, AND**
 24 **YOU OR THE DEALER MAY CANCEL THIS SALE. IF THE SALE IS CANCELED, THE**
 25 **VEHICLE DELIVERED TO YOU MUST BE RETURNED TO THE DEALER IN THE SAME**
 26 **CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR, WITHIN 2**
 27 **DAYS OF YOUR RECEIPT OF A WRITTEN NOTICE OF THE THIRD-PARTY REJECTION.**
 28 **UNLESS YOU AND THE DEALER AGREE ON DIFFERENT TERMS, ANY DOWN PAYMENT,**
 29 **TITLING FEE, EXCISE TAX, DEALER PROCESSING CHARGE, OR ANY OTHER FEE, TAX,**
 30 **OR CHARGE ASSOCIATED WITH THE TRANSACTION, AND ANY TRADE-IN VEHICLE, IN**
 31 **THE SAME CONDITION IN WHICH THE DEALER RECEIVED THE VEHICLE, WILL BE**
 32 **RETURNED TO YOU IMMEDIATELY AND YOU MAY NOT BE CHARGED A FEE FOR USE**
 33 **OF THE VEHICLE THAT WAS THE SUBJECT OF THE SALE. IF YOU FEEL THE DEALER**
 34 **HAS FAILED TO COMPLY WITH THE TERMS OF THIS NOTICE, YOU MAY CONTACT THE**
 35 **MOTOR VEHICLE ADMINISTRATION OR THE CONSUMER PROTECTION DIVISION OF**
 36 **THE OFFICE OF THE ATTORNEY GENERAL.”.**

37 **(2) A COPY OF THE SIGNED NOTICE SHALL BE PROVIDED TO THE**
 38 **BUYER BEFORE DELIVERY OF THE VEHICLE TO THE BUYER.**

1 **(B) A DEALER SHALL NOTIFY A BUYER IN WRITING IF THE TERMS OF A**
2 **FINANCING OR LEASE AGREEMENT BETWEEN A DEALER AND A BUYER ARE NOT**
3 **APPROVED BY A THIRD-PARTY FINANCE SOURCE WITHIN 3 DAYS OF DELIVERY OF A**
4 **VEHICLE TO THE BUYER.**

5 **(C) (1) IF THE TERMS OF A FINANCING OR LEASE AGREEMENT BETWEEN**
6 **A DEALER AND A BUYER ARE NOT APPROVED BY A THIRD-PARTY FINANCE SOURCE,**
7 **THE BUYER SHALL RETURN THE VEHICLE TO THE DEALER IN THE SAME CONDITION**
8 **IN WHICH THE BUYER RECEIVED THE VEHICLE, EXCEPT FOR NORMAL WEAR AND**
9 **TEAR, WITHIN 2 DAYS OF DELIVERY OF THE NOTICE REQUIRED UNDER SUBSECTION**
10 **(A) OF THIS SECTION.**

11 **(2) IF A BUYER DOES NOT RETURN THE VEHICLE TO THE DEALER AS**
12 **REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEALER MAY**
13 **REPOSSESS THE VEHICLE IN ACCORDANCE WITH § 12-624 OF THE COMMERCIAL**
14 **LAW ARTICLE.**

15 **(D) (1) A DEALER AND A BUYER MAY AGREE ON NEW FINANCING OR**
16 **LEASING TERMS ON RETURN OF A VEHICLE UNDER SUBSECTION (C)(1) OF THIS**
17 **SECTION.**

18 **(2) (I) IF A DEALER AND A BUYER DO NOT AGREE ON NEW**
19 **FINANCING OR LEASING TERMS, THE DEALER OR THE BUYER MAY CANCEL THE SALE.**

20 **(II) IF A SALE IS CANCELED UNDER SUBPARAGRAPH (I) OF THIS**
21 **PARAGRAPH, THE DEALER:**

22 **1. SHALL RETURN TO THE BUYER:**

23 **A. ANY TRADE-IN VEHICLE IN THE SAME CONDITION IN**
24 **WHICH THE DEALER RECEIVED THE VEHICLE;**

25 **B. ANY DOWN PAYMENT;**

26 **C. THE TITLING FEE AND EXCISE TAX PAID UNDER TITLE**
27 **13, SUBTITLE 8 OF THIS ARTICLE;**

28 **D. ANY DEALER PROCESSING CHARGE; AND**

29 **E. ANY OTHER FEE, TAX, OR CHARGE ASSOCIATED WITH**
30 **THE TRANSACTION; AND**

