

SB0730/498172/1

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 730
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “prohibiting” in line 3 down through “manner” in line 8 and substitute “altering the conditions under which a motor vehicle dealer’s failure to comply with certain requirements constitutes grounds for denial of a certain claim or reduction of the amount of certain compensation; prohibiting a motor vehicle manufacturer, distributor, or factory branch from taking certain action against a dealer for the provision of certain information to certain persons; specifying that a dealer may provide certain information only to a certain customer; prohibiting a manufacturer from taking certain action against a dealer for performing certain repairs on a vehicle under certain circumstances; requiring a manufacturer to provide certain compensation to certain dealers under certain circumstances; defining a certain term; providing for the construction of certain provisions of this Act”; after line 9, insert:

“BY renumbering

Article – Transportation
Section 15-101(c) through (g), respectively
to be Section 15-101(d) through (h), respectively
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)”;

in line 12, after “Section” insert “15-101(a) and”; in line 17, after “Section” insert “15-101(c) and”; in the same line, after “15-212(c)(12)” insert “, (13), and (14)”; in line 22, after “Section” insert “15-212(c)(10) and”; after line 24, insert:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 15-101(c) through (g), respectively, of Article – Transportation of the Annotated Code of Maryland be renumbered to be Section(s) 15-101(d) through (h), respectively.”;

(Over)

SB0730/498172/1 Judicial Proceedings Committee
Amendments to SB 730
Page 2 of 5

in line 25, strike “1.” and substitute “2. AND”; in the same line, after “IT” insert “FURTHER”; and in the same line, strike “BY THE GENERAL ASSEMBLY OF MARYLAND”.

AMENDMENT NO. 2

On page 2, after line 1, insert:

“15-101.

(a) In this title the following words have the meanings indicated.

(c) “ADVERSE ACTION” MEANS:

(1) WITHHOLDING ANY CONSIDERATION RECEIVED BY A DEALER FROM A LICENSEE;

(2) WITHHOLDING A CONSUMER BENEFIT THROUGH A DEALER; OR

(3) APPOINTING OR THREATENING TO APPOINT AN ADDITIONAL DEALER WITHIN THE MARKET AREA ASSIGNED TO THE DEALER AGAINST WHOM THE ADVERSE ACTION IS TAKEN WITHOUT A COMPELLING BUSINESS JUSTIFICATION.”;

and after line 12, insert:

“(10) A dealer’s failure to comply with a [specific requirement of the manufacturer] MANUFACTURER’S or [distributor] DISTRIBUTOR’S SPECIFIC REQUIREMENTS FOR PROCESSING A CLAIM may not constitute grounds for denial of the claim or reduction of the amount of compensation paid to the dealer if the dealer presents REASONABLE documentation or other reasonable evidence to substantiate

[that the repair and] the claim [were done according to manufacturer warranty guidelines].”.

On pages 2 and 3, strike in their entirety the lines beginning with line 22 on page 2 through line 8 on page 3, inclusive, and substitute:

“(12) A LICENSEE MAY NOT PROHIBIT A DEALER FROM, OR TAKE ANY ADVERSE ACTION AGAINST A DEALER FOR, PROVIDING TO A CUSTOMER INFORMATION GIVEN TO THE DEALER BY A MANUFACTURER RELATED TO ANY CONDITION THAT MAY SUBSTANTIALLY AFFECT MOTOR VEHICLE SAFETY, DURABILITY, RELIABILITY, OR PERFORMANCE.

(13) A DEALER MAY PROVIDE THE INFORMATION SPECIFIED IN PARAGRAPH (12) OF THIS SUBSECTION ONLY TO A CUSTOMER THAT HAS:

(i) PURCHASED THE VEHICLE FOR WHICH THE INFORMATION PERTAINS FROM THE DEALER; OR

(ii) HAD THE VEHICLE FOR WHICH THE INFORMATION PERTAINS SERVICED BY THE DEALER.

(14) (i) A LICENSEE MAY NOT DENY A CLAIM, REDUCE THE AMOUNT OF COMPENSATION TO A DEALER, OR PROCESS A CHARGE BACK TO A DEALER FOR PERFORMING COVERED WARRANTY OR REQUIRED RECALL REPAIRS ON A VEHICLE:

1. FOR RESOLVING A CONDITION COVERED BY THE LICENSEE’S ORIGINAL WARRANTY;

(Over)

2. FOR REMEDYING A SAFETY-RELATED DEFECT THAT IS SUBJECT TO AN OUTSTANDING RECALL UNDER FEDERAL LAW;

3. IF THE DEALER PROPERLY PERFORMED THE REPAIRS AND SUBMITTED THE CLAIMS; OR

4. IF THE DEALER DISCOVERED THE NEED FOR REPAIRS;

A. DURING THE COURSE OF A SEPARATE REPAIR REQUESTED BY THE CUSTOMER; OR

B. THROUGH NOTICE OF AN OUTSTANDING RECALL UNDER FEDERAL LAW FOR A SAFETY-RELATED DEFECT.”.

On pages 3 and 4, strike beginning with “IN” in line 24 on page 3 down through “AVAILABLE” in line 18 on page 4 and substitute “**IF A LICENSEE ISSUES A STOP SALE DIRECTIVE APPLICABLE TO A USED VEHICLE MANUFACTURED BY THE LICENSEE TO A DEALER THAT HOLDS A FRANCHISE FROM THE LICENSEE AND THERE ARE NO REMEDIES OR PARTS AVAILABLE TO FIX THE MOTOR VEHICLE, THE LICENSEE SHALL COMPENSATE THE DEALER BY:**

(1) PROVIDING PAYMENT TO THE DEALER AT A RATE OF AT LEAST 1% PER MONTH OR PORTION OF A MONTH OF THE VALUE OF THE VEHICLE; OR

(2) COMPENSATING THE DEALER UNDER A NATIONAL PROGRAM THAT IS APPLICABLE TO ALL DEALERS HOLDING A FRANCHISE FROM THE LICENSEE FOR THE DEALER’S COSTS ASSOCIATED WITH THE STOP SALE DIRECTIVE”.

SB0730/498172/1 Judicial Proceedings Committee
Amendments to SB 730
Page 5 of 5

On page 4, in line 25, strike “2.” and substitute “3”.