

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 679

(Delegate Stein, *et al.*)

Environment and Transportation

Judicial Proceedings

Vehicle Laws – Licensing of Businesses and Occupations – Definition of Vehicle
Salesman

This bill expands the definition of “vehicle salesman” to include any individual who, for a commission or other compensation, negotiates with (or induces) any other person to enter into a financial security or warranty agreement on behalf of a dealer in connection with the sale of a vehicle.

Fiscal Summary

State Effect: The Motor Vehicle Administration (MVA) can handle any additional enforcement activities with existing budgeted resources. Transportation Trust Fund revenues are likely not materially affected, as the number of additional licensees under the bill is assumed to be minimal.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A “vehicle salesman” is defined as any individual who:

- for a commission or other compensation (under any form of agreement or arrangement with a dealer) buys, sells, or exchanges or negotiates (or attempts to negotiate) a sale or exchange of an interest in a vehicle of a type required to be registered under State law; or
- induces (or attempts to induce) any other person to buy or exchange an interest in a vehicle of a type required to be registered under State law and receives (or expects to receive) a commission or other compensation from either the seller or the buyer of the vehicle.

“Vehicle salesman” does *not* include persons who are explicitly exempt from classification as a vehicle dealer (including an individual acting as a representative of such persons) or persons involved in certain types of leasing arrangements.

Licensing Requirement for Vehicle Salesmen

A person is prohibited from acting as a vehicle salesman unless the person is licensed by MVA. Further, any person who has been refused a vehicle salesman’s license in Maryland (or whose license is revoked or suspended) may not conduct the business of a vehicle salesman under any license, permit, or registration certificate issued by any other jurisdiction. A person who violates these requirements is subject to imprisonment for up to six months and/or a fine of up to \$1,000. For a second or subsequent offense, the possible penalty escalates to imprisonment for up to one year and/or a fine of up to \$2,000.

Small Business Effect: MVA is responsible for [licensing and supervising](#) vehicle salesmen and notes that about 11,770 individuals have active licenses. Any additional individuals required to be licensed under the bill must submit applications to MVA and, if approved, be subject to existing enforcement activities (*e.g.*, dealer audits). Although MVA advises that the additional influx of licensees under the bill is expected to be minimal, individuals subject to licensure (and the businesses that employ them) as a result of the bill’s changes may be meaningfully affected.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

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