

HOUSE BILL 955

R4
HB 931/22 – ECM

3lr2137

By: **Delegate Queen**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2023

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Dealers – ~~Incentives~~ Allocation of Vehicles**

3 FOR the purpose of ~~requiring an affiliate of a vehicle manufacturer, distributor, or factory~~
4 ~~branch to offer certain incentives to all dealers of the same line make under certain~~
5 ~~circumstances; requiring a vehicle manufacturer, distributor, or factory branch or its~~
6 ~~affiliate to offer certain incentives to all purchasers of vehicles of the same line make~~
7 ~~under certain circumstances; establishing that an affiliate that denies certain~~
8 ~~incentives to a dealer under certain circumstances is subject to a certain burden of~~
9 ~~proof; requiring that any system operated by a vehicle manufacturer, distributor, or~~
10 ~~factory branch or its affiliate for allocating new vehicles to dealers be reasonable and~~
11 ~~fair; and generally relating to vehicle manufacturers and dealers.~~

12 ~~BY repealing and reenacting, with amendments,~~
13 ~~Article – Transportation~~
14 ~~Section 15–207(h)(1)~~
15 ~~Annotated Code of Maryland~~
16 ~~(2020 Replacement Volume and 2022 Supplement)~~

17 BY adding to
18 Article – Transportation
19 Section 15–208(f)
20 Annotated Code of Maryland
21 (2020 Replacement Volume and 2022 Supplement)

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

3 **Article – Transportation**

4 ~~15-207.~~

5 ~~(h) (1) (i) Any consumer rebates, dealer incentives, price or interest rate~~
6 ~~reductions, or finance terms that a manufacturer, distributor, or factory branch OR ITS~~
7 ~~AFFILIATE offers or advertises, or allows its dealers to offer or advertise, shall be offered~~
8 ~~to all dealers, AND ALL PURCHASERS OF VEHICLES, of the same line make.~~

9 ~~(ii) Any manufacturer, distributor, or factory branch OR ITS~~
10 ~~AFFILIATE that denies the benefit of any consumer rebates, dealer incentives, price or~~
11 ~~interest rate reductions, or finance terms to a dealer on the basis that the dealer failed to~~
12 ~~comply with performance standards has the burden of proving that the performance~~
13 ~~standards comply with the provisions of this section.~~

14 ~~15-208.~~

15 **(F) (1) ANY SYSTEM OPERATED BY A MANUFACTURER, DISTRIBUTOR, OR**
16 **FACTORY BRANCH OR ITS AFFILIATE FOR THE ALLOCATION OF NEW VEHICLES TO**
17 **DEALERS SHALL BE REASONABLE AND FAIR FOR ALL DEALERS.**

18 **(2) ON THE WRITTEN REQUEST BY ANY OF ITS DEALERS, A**
19 **MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH OR ITS AFFILIATE SHALL**
20 **DISCLOSE TO THE DEALER THE METHOD BY WHICH NEW VEHICLES ARE ALLOCATED**
21 **TO DEALERS OF THE SAME LINE MAKE.**

22 **(3) IN ANY DISPUTE OVER COMPLIANCE WITH THIS SUBSECTION, A**
23 **MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH OR ITS AFFILIATE HAS THE**
24 **BURDEN OF PROVING ITS COMPLIANCE.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2023.