R4 3lr2400 CF 3lr3079

By: Delegates Stein and Amprey

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

Vehicle Laws - Manufacturers - Dealer Compensation

- FOR the purpose of altering the basis for determining compensation from a vehicle manufacturer to a vehicle dealer for repairs made under a recall or warranty; prohibiting a vehicle manufacturer from recovering or attempting to recover by certain methods any portion of its costs for compensating vehicle dealers for repairs made under a recall or warranty; and generally relating to vehicle dealer compensation for repairs made under a recall or warranty.
- 9 BY repealing and reenacting, with amendments,
- 10 Article Transportation
- 11 Section 15–212(c)(1), (2), (3), and (7)
- 12 Annotated Code of Maryland
- 13 (2020 Replacement Volume and 2022 Supplement)
- 14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 15 That the Laws of Maryland read as follows:

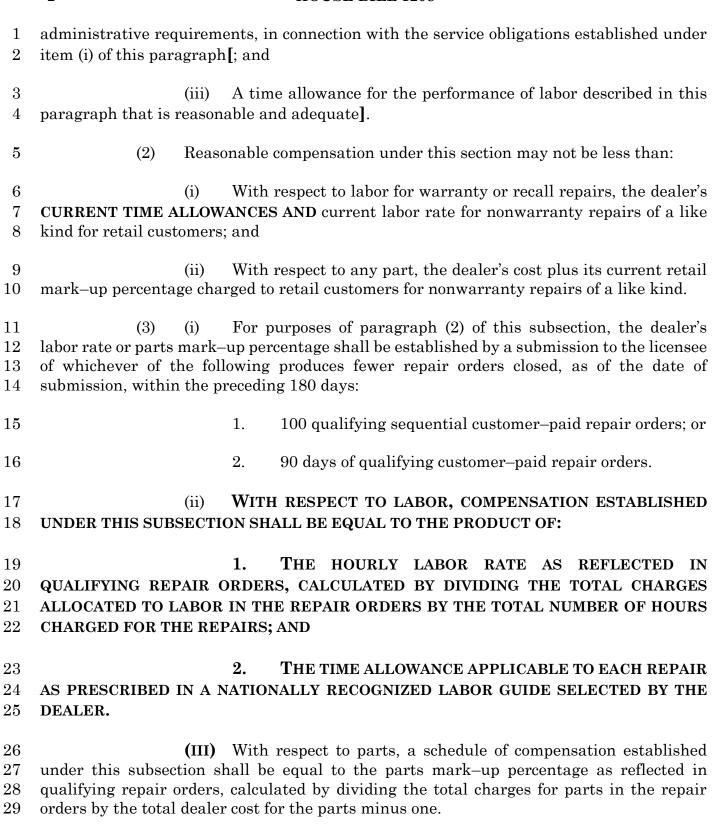
16 Article – Transportation

17 15–212.

2

- 18 (c) (1) A licensee shall specify in writing to each of its motor vehicle dealers
- 19 licensed in the State:
- 20 (i) The dealer's obligation for vehicle preparation, delivery,
- 21 warranties, and recalls on its products; AND
- 22 (ii) The schedule of compensation to be paid to the dealers for parts,
- 23 including parts assemblies, and labor, including diagnostic labor and associated





[(iii)**] (IV)** 1. A dealer may not make a submission under this 31 subsection more than once in 1 year.

- 1 2. For purposes of subsubparagraph 1 of this subparagraph, 2 a revision or supplement to a submission to correct or clarify the submission does not 3 constitute a new submission. 4 (7)A licensee may not directly or indirectly: 5 Calculate its own labor rate or parts mark-up percentage on a warranty reimbursement rate submission by the licensee's dealer under this section, or 6 7 require a dealer to calculate a labor rate or parts mark-up percentage, by any method not 8 required under this section, including a method that is unduly burdensome or time-consuming or that requires information that is unduly burdensome 9 time-consuming to provide such as: 10 11 part-by-part transaction-by-transaction 1. Α or12 calculation; or 13 2. Presentation of information as to, or calculations based on, 14 the dealer's or other dealers' warranty compensation; 15 Establish or implement a special part or component number for parts used in warranty fulfillment, if the special part or component number results in 16 17 reduced compensation for the dealer unless the part is used for specific, limited repair 18 situations: 19 Require or coerce a dealer to change the prices for which it sells (iii) 20parts or labor for retail customer repairs; 21(iv) Take adverse action against a dealer because the dealer seeks 22 compensation under this section, by: 23 1. Implementing a process that is inconsistent with the 24licensee's obligations to the dealer under this subtitle; or 25 2. Failing to act in good faith; 26 (v) Conduct any warranty or retail customer repair audit, or other 27 service-related audit, solely because the dealer makes a request for warranty 28 reimbursement at retail rates in the ordinary course of business; [or] 29 (vi) Establish, implement, enforce, or apply any policy, standard, 30 rule, program, or incentive regarding the compensation due under this section other than
- 32 (VII) RECOVER OR ATTEMPT TO RECOVER ANY PORTION OF THE 33 LICENSEE'S COSTS FOR COMPENSATING DEALERS UNDER THIS SECTION BY

in a uniform manner among the licensee's dealers in the State; OR

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HOUSE BILL 1208

- 1 REDUCING THE AMOUNT DUE TO A DEALER OR BY IMPOSING A FEE, ASSESSMENT, OR
- 2 SURCHARGE ON THE AMOUNT DUE TO THE DEALER.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 4 October 1, 2023.