

HOUSE BILL 1166

R4

6lr2023
CF 6lr2021

By: **Delegate Palakovich Carr**

Introduced and read first time: February 11, 2026

Assigned to: Economic Matters and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2026

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicles – Dealers – Front Registration Plate Display**

3 FOR the purpose of prohibiting a motor vehicle dealer from delivering certain motor
4 vehicles to a buyer or lessee unless the motor vehicles have a certain front
5 registration plate ~~mounting hardware~~ display mechanism or the buyer or lessee
6 signs a certain disclosure statement acknowledging declined installation of the
7 ~~mounting hardware~~ display mechanism; requiring a motor vehicle dealer to ~~report~~
8 submit certain information on declined installation of a certain front registration
9 plate ~~mounting hardware~~ display mechanism to the Motor Vehicle Administration
10 ~~on~~ in a certain ~~periodic basis~~ manner; requiring the Administration to develop a
11 certain disclosure statement; and generally relating to the display of front
12 registration plates on motor vehicles delivered to buyers or lessees by motor vehicle
13 dealers.

14 BY repealing and reenacting, without amendments,
15 Article – Transportation
16 Section 15–101(a) and (c) and 15–305(e)(2)
17 Annotated Code of Maryland
18 (2020 Replacement Volume and 2025 Supplement)

19 BY adding to
20 Article – Transportation
21 Section 15–316
22 Annotated Code of Maryland
23 (2020 Replacement Volume and 2025 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 15–101.

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

6 (c) (1) “Dealer” means, except as provided in paragraph (3) of this subsection,
7 a dealer in vehicles of a type required to be registered under Title 13 of this article.

8 (2) (i) “Dealer” includes:

9 1. A person who is in the business of buying, selling, or
10 exchanging vehicles, including a person who during any 12–month period offers to sell three
11 or more of these vehicles, the ownership of which was acquired for resale purposes; and

12 2. For the purposes of §§ 15–301 through 15–315, inclusive,
13 of this title, any person who sells vehicles, whether or not that person acquired the vehicles
14 for personal or business use, if the vehicles are displayed at a fixed location used principally
15 for the purpose of selling vehicles on a regular basis.

16 (ii) 1. For the purposes of subparagraph (i)1 of this paragraph, a
17 person who offers to sell three or more vehicles during any 12–month period is presumed
18 to have acquired the vehicles for resale purposes.

19 2. The vehicle owner has the burden of rebutting the
20 presumption established under subparagraph 1 of this subparagraph by a
21 preponderance of the evidence.

22 (3) “Dealer” does not include:

23 (i) A public official who sells or disposes of vehicles in the
24 performance of his official duties;

25 (ii) An insurance company, finance company, bank, or other lending
26 institution licensed or otherwise authorized to do business in this State that, to save it from
27 loss, sells or disposes of vehicles under a contractual right and in the regular course of its
28 business;

29 (iii) A licensed auctioneer acting on behalf of a seller, secured party
30 or owner and where title does not pass to the auctioneer and the auction is not for the
31 purpose of avoiding the provisions of this title;

1 (iv) A receiver, trustee, personal representative, or other person
2 appointed by or acting under the authority of any court;

3 (v) Either a manufacturer or distributor who sells or distributes
4 vehicles to licensed dealers or a person employed by a manufacturer or distributor to
5 promote the sale of the vehicles of the manufacturer or distributor, if that manufacturer,
6 distributor, or person does not sell vehicles to retail buyers;

7 (vi) A person who sells or disposes of vehicles acquired and used for
8 personal or business use and not for the purpose of avoiding the provisions of this title, if
9 that person is not engaged in buying, selling, or exchanging vehicles as a business;

10 (vii) An automotive dismantler and recycler who during the normal
11 course of business acquires a salvage vehicle and transfers the vehicle on a salvage
12 certificate. However, if the automotive dismantler and recycler rebuilds and sells more than
13 5 vehicles during a 12-month period to a person other than another automotive dismantler
14 and recycler or licensed dealer, the automotive dismantler and recycler must be licensed as
15 a dealer under § 15-302 of this title;

16 (viii) A person engaged in the leasing of motor vehicles under leases
17 not intended as security;

18 (ix) A religious, charitable, or volunteer organization exempt from
19 taxation under § 501(c) of the Internal Revenue Code, the Department of Human Services,
20 or a local department of social services transferring a vehicle under § 13-810 of this article;
21 or

22 (x) An autonomous vehicle converter as defined in § 15-901 of this
23 title.

24 15-305.

25 (e) (2) (i) Notwithstanding subsections (b) and (f) of this section and
26 subject to subparagraph (ii) of this paragraph, a manufacturer or distributor may be
27 licensed as a dealer if:

28 1. The manufacturer or distributor deals only in electric or
29 nonfossil-fuel burning vehicles;

30 2. No dealer in the State holds a franchise from the
31 manufacturer or distributor;

32 3. The manufacturer or distributor, or a subsidiary, an
33 affiliate, or a controlled entity of the manufacturer or distributor, does not hold a controlling
34 interest in another manufacturer or distributor, or a subsidiary, an affiliate, or a controlled
35 entity of the other manufacturer or distributor, that is licensed as a dealer under this
36 paragraph; and

1 4. No other manufacturer or distributor, or subsidiary,
2 affiliate, or controlled entity of the other manufacturer or distributor, that is licensed as a
3 dealer under this paragraph, holds a controlling interest in the manufacturer or distributor,
4 or a subsidiary, an affiliate, or a controlled entity of the manufacturer or distributor.

5 (ii) No more than four licenses may be issued under this paragraph.

6 (iii) The Administration shall adopt regulations to implement this
7 paragraph.

8 **15-316.**

9 **(A) AFTER THE SALE, OR LEASE, OR EXCHANGE OF A NEW MOTOR VEHICLE**
10 **THAT WILL BE REGISTERED IN THE STATE AND FOR WHICH TWO REGISTRATION**
11 **PLATES ARE REQUIRED UNDER § 13-411 OF THIS ARTICLE, A DEALER MAY NOT**
12 **DELIVER THE MOTOR VEHICLE TO THE BUYER OR LESSEE UNLESS:**

13 **(1) THE MOTOR VEHICLE IS EQUIPPED WITH REGISTRATION PLATE**
14 **MOUNTING HARDWARE OR ANOTHER MECHANISM CAPABLE OF SECURELY**
15 **DISPLAYING THE REGISTRATION PLATE ON THE FRONT OF THE MOTOR VEHICLE IN**
16 **ACCORDANCE WITH § 13-411 OF THIS ARTICLE; OR**

17 **(2) THE PURCHASER OR LESSEE SIGNS A WRITTEN STATEMENT**
18 **ACKNOWLEDGING THAT:**

19 **(I) THE BUYER OR LESSEE DECLINED INSTALLATION OF**
20 **REGISTRATION PLATE MOUNTING HARDWARE OR ANOTHER PLATE DISPLAY**
21 **MECHANISM ON THE FRONT OF THE MOTOR VEHICLE;**

22 **(II) THE BUYER OR LESSEE UNDERSTANDS THAT STATE LAW**
23 **REQUIRES THE DISPLAY OF A REGISTRATION PLATE ON THE FRONT OF THE MOTOR**
24 **VEHICLE;**

25 **(III) REGISTRATION PLATE MOUNTING HARDWARE OR ANOTHER**
26 **PLATE DISPLAY MECHANISM FOR THE FRONT OF THE MOTOR VEHICLE IS AVAILABLE**
27 **FROM THE DEALER; AND**

28 **(IV) FAILURE TO DISPLAY A REGISTRATION PLATE ON THE**
29 **FRONT OF THE VEHICLE IS A MISDEMEANOR AND MAY SUBJECT THE BUYER OR**
30 **LESSEE TO A FINE NOT EXCEEDING \$500.**

31 **(B) ~~ON A MONTHLY BASIS, A~~ A DEALER SHALL REPORT SUBMIT EACH**
32 **WRITTEN STATEMENT SIGNED UNDER SUBSECTION (A)(2) OF THIS SECTION TO THE**

1 ~~ADMINISTRATION THE NAME OF EACH BUYER OR LESSEE WHO SIGNED A WRITTEN~~
2 ~~STATEMENT UNDER THIS SECTION TOGETHER WITH THE DOCUMENTS REQUIRED~~
3 ~~UNDER § 13-113 OF THIS ARTICLE FOR REGISTRATION OF THE VEHICLE THAT IS THE~~
4 ~~SUBJECT OF THE STATEMENT.~~

5 (C) A DEALER WHO SUBMITS A SIGNED WRITTEN STATEMENT UNDER
6 SUBSECTION (B) OF THIS SECTION MAY NOT BE HELD LIABLE UNDER § 26-101 OF
7 THIS ARTICLE WITH RESPECT TO THE BUYER OR LESSEE WHO SIGNED THE
8 STATEMENT.

9 (D) THE ADMINISTRATION SHALL:

10 (1) DEVELOP A WRITTEN STATEMENT FOR USE BY DEALERS UNDER
11 SUBSECTION (A)(2) OF THIS SECTION; AND

12 (2) ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING
13 PROCEDURES GOVERNING:

14 (I) THE SUBMISSION OF WRITTEN STATEMENTS UNDER
15 SUBSECTION (B) OF THIS SECTION; AND

16 (II) THE USE AND DISCLOSURE OF INFORMATION CONTAINED IN
17 A WRITTEN STATEMENT, INCLUDING DISCLOSURE TO LAW ENFORCEMENT FOR
18 ENFORCEMENT OF § 13-411 OF THIS ARTICLE.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.