

SENATE BILL 824

R4

6lr3210

By: **Senator Smith**

Introduced and read first time: February 6, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Licensing of Manufacturers and Distributors as Dealers –**
3 **Requirements**

4 FOR the purpose of altering certain requirements for vehicle manufacturers or distributors
5 to be licensed as vehicle dealers; and generally relating to manufacturers and
6 dealers.

7 BY repealing and reenacting, without amendments,
8 Article – Transportation
9 Section 15–305(b) and (f)
10 Annotated Code of Maryland
11 (2020 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Transportation
14 Section 15–305(e)(2)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2025 Supplement)

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

19 **Article – Transportation**

20 15–305.

21 (b) A license to deal in new vehicles may be issued only for a dealer in new vehicles
22 who holds a franchise from:

23 (1) The manufacturer of the vehicles; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) A distributor who is authorized by the manufacturer or the manufacturer's authorized importer of the vehicles.

(e) (2) (i) Notwithstanding subsections (b) and (f) of this section and subject to [subparagraph (ii)] **SUBPARAGRAPHS (II) AND (III)** of this paragraph, a manufacturer or distributor may be licensed as a dealer if:

1. The manufacturer or distributor [deals] **MANUFACTURES OR DISTRIBUTES** only [in electric] **BATTERY-ELECTRIC** or nonfossil-fuel burning vehicles;

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

3. The manufacturer or distributor[, or a subsidiary, an affiliate, or a controlled entity of the manufacturer or distributor, does not hold a controlling interest in another manufacturer or distributor, or a subsidiary, an affiliate, or a controlled entity of the other manufacturer or distributor, that is licensed as a dealer under this paragraph] **IS NOT OWNED BY, CONTROLLED BY, UNDER COMMON CONTROL WITH, OR AFFILIATED, DIRECTLY OR INDIRECTLY, WITH ANY OTHER MANUFACTURER OR DISTRIBUTOR THAT HAS FRANCHISED DEALERS;** and

4. [No other manufacturer or distributor, or subsidiary, affiliate, or controlled entity of the other manufacturer or distributor, that is licensed as a dealer under this paragraph, holds a controlling interest in the manufacturer or distributor, or a subsidiary, an affiliate, or a controlled entity of the manufacturer or distributor] **THE MANUFACTURER OR DISTRIBUTOR IS NOT A SUBSIDIARY, AN AFFILIATE, A DIVISION, A BRAND, A JOINT VENTURE WITH, OR SUCCESSOR TO ANY OTHER MANUFACTURER OR DISTRIBUTOR THAT HAS FRANCHISED DEALERS.**

(ii) **A MANUFACTURER OR DISTRIBUTOR SEEKING A DEALER LICENSE SHALL DEMONSTRATE TO THE SATISFACTION OF THE ADMINISTRATION THAT IT COMPLIES WITH THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

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

[(iii)] (IV) The Administration shall adopt regulations to implement this paragraph.

(f) A manufacturer or distributor, or a person who is acting for a partnership or corporation that is owned or controlled by or under common control with a manufacturer or distributor, may not sell a new vehicle to a retail buyer.

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