

SENATE BILL 536

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4r2346
CF 4r2832

By: **Senator Klausmeier**

Introduced and read first time: January 29, 2014

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Motor Vehicle Commission – Establishment**

3 FOR the purpose of establishing the Motor Vehicle Commission in the Department of
4 Transportation; transferring the authority of the Motor Vehicle Administration
5 concerning dealer licenses, manufacturer, distributor, or factory branch
6 licenses, and vehicle salesman licenses to the Commission; specifying the
7 membership of the Commission; specifying the appointment of, qualifications of,
8 restrictions imposed on, and term limits for members of the Commission;
9 authorizing the Governor to remove a member of the Commission for certain
10 reasons; requiring the Commission to annually elect a chair; specifying the term
11 and duties of the chair; requiring the chair to be covered by a certain surety
12 bond; providing for the quorum and meeting requirements of the Commission;
13 specifying that a member of the Commission is entitled to compensation and
14 certain reimbursements; authorizing the Commission to employ a staff;
15 imposing certain restrictions on the Commission's staff; requiring the
16 Commission to adopt a certain code of ethics and provide a copy of the code to
17 certain individuals; authorizing the Commission to adopt certain bylaws and
18 regulations; requiring the Commission to adopt certain guidelines and
19 regulations; requiring the Commission to provide a copy of the regulations to
20 certain individuals; authorizing a person to file a certain complaint with the
21 Commission; specifying that the complaint meet certain requirements;
22 authorizing the Commission to administer and enforce certain provisions of law;
23 authorizing the Commission to conduct an investigation for a certain complaint;
24 authorizing the Commission to hold a hearing on the merits of the complaint;
25 requiring the Commission to take certain actions in relation to the hearing;
26 authorizing the Commission to grant, deny, suspend, or revoke certain licenses
27 under certain circumstances; authorizing the Commission to take certain
28 actions in relation to a disciplinary action, investigation, or proceeding initiated
29 for certain alleged violations; authorizing a circuit court to compel compliance
30 with a certain subpoena; providing for the appeal process for a decision or order
31 made by the Commission; providing for a right to trial by jury in a certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 action; requiring the Commission to submit a certain annual report to the
2 Secretary of Transportation; requiring the Commission to certify the licensing
3 status and qualifications of certain persons under certain circumstances;
4 authorizing the Commission to adopt a seal, use the seal for certain purposes,
5 and approve certain educational courses; authorizing the Commission to set
6 certain fees; requiring the Commission to determine on an annual basis
7 whether certain additional funding is necessary and to take certain actions if
8 the Commission determines that additional funding is required; requiring the
9 Commission to adopt a certain fee schedule and publish the fee schedule on the
10 Commission's Web site; requiring the Commission to pay certain fees to the
11 Comptroller; establishing the Motor Vehicle Commission Fund as a special,
12 nonlapsing fund; specifying the purpose of the Fund; requiring the Commission
13 to administer the Fund; requiring the State Treasurer to hold the Fund and the
14 Comptroller to account for the Fund; specifying the contents of the Fund;
15 specifying the purpose for which the Fund may be used; requiring the
16 Commission to charge an initial one-time fee for certain licenses; defining
17 certain terms; making conforming and stylistic changes; and generally relating
18 to establishing the Motor Vehicle Commission in the Department of
19 Transportation and transferring certain powers and duties from the Motor
20 Vehicle Administration to the Commission.

21 BY repealing and reenacting, without amendments,
22 Article – State Finance and Procurement
23 Section 6–226(a)(2)(i)
24 Annotated Code of Maryland
25 (2009 Replacement Volume and 2013 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – State Finance and Procurement
28 Section 6–226(a)(2)(ii)76. and 77.
29 Annotated Code of Maryland
30 (2009 Replacement Volume and 2013 Supplement)

31 BY adding to
32 Article – State Finance and Procurement
33 Section 6–226(a)(2)(ii)78.
34 Annotated Code of Maryland
35 (2009 Replacement Volume and 2013 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article – Transportation
38 Section 12–201 through 12–205, 12–208, 12–209, 15–102(a) and (b)(4),
39 15–103(a) and (c), 15–104, 15–105(b), (c), and (f), 15–106(a), (b), and (c),
40 15–107, 15–108(a), 15–109, 15–110, 15–110.1, 15–111, 15–113(b),
41 15–113.1(e), 15–115(b) and (c)(1), 15–201(d), 15–202, 15–204, 15–205(a),
42 15–209(a)(2)(ii), (b)(2)(ii), (c)(2)(ii), and (e)(2), (3), and (4), 15–212(b),
43 15–301, 15–302(a), 15–304(a)(3)(ii), (b), and (d)(2), 15–305(d)(1) and (2)(i)

1 and (iii), 15-305.1(a), 15-307(a) and (c), 15-308(a)(1), (c)(2), and (d),
 2 15-311.1(a)(1)(iv), 15-312(h), 15-314(c) and (f), 15-315(a), 15-401,
 3 15-402(a), 15-404(c) and (d), 15-406, 15-411(f), and 15-412

4 Annotated Code of Maryland
 5 (2012 Replacement Volume and 2013 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Article – Transportation
 8 Section 15-101(a)
 9 Annotated Code of Maryland
 10 (2012 Replacement Volume and 2013 Supplement)

11 BY repealing
 12 Article – Transportation
 13 Section 15-101(b)
 14 Annotated Code of Maryland
 15 (2012 Replacement Volume and 2013 Supplement)

16 BY adding to
 17 Article – Transportation
 18 Section 15-101(b), (c-1), (c-2), (c-3), and (g-1); and 15-1A-101 through
 19 15-1A-116 to be under the new subtitle “Subtitle 1A. Motor Vehicle
 20 Commission”
 21 Annotated Code of Maryland
 22 (2012 Replacement Volume and 2013 Supplement)

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

25 **Article – State Finance and Procurement**

26 6-226.

27 (a) (2) (i) Notwithstanding any other provision of law, and unless
 28 inconsistent with a federal law, grant agreement, or other federal requirement or with
 29 the terms of a gift or settlement agreement, net interest on all State money allocated
 30 by the State Treasurer under this section to special funds or accounts, and otherwise
 31 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue
 32 to the General Fund of the State.

33 (ii) The provisions of subparagraph (i) of this paragraph do not
 34 apply to the following funds:

35 76. the Baltimore City Public School Construction
 36 Financing Fund; [and]

37 77. the Spay/Neuter Fund; AND

78. THE MOTOR VEHICLE COMMISSION FUND.

Article – Transportation

12–201.

(A) In this subtitle[, “licensee”] **THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(B) **“COMMISSION” MEANS THE MARYLAND VEHICLE COMMISSION.**

(C) **“LICENSEE”** means the holder of a license issued or privilege granted under the Maryland Vehicle Law.

12–202.

(a) Except as otherwise provided in § 16–205.1(f) of this article, if the Maryland Vehicle Law or a rule or regulation of the Administration **OR COMMISSION** provides that a license or privilege may be suspended or revoked only after a hearing, the Administration **OR THE COMMISSION, AS APPLICABLE**, shall give the licensee:

(1) Written notice of the hearing and any charge made; and

(2) An opportunity to be heard in person.

(b) The notice required by this section shall:

(1) Contain the information required by § 12–204 of this subtitle;

(2) Be given at least 10 days before the date of the hearing; and

(3) Be sent to the licensee as provided in § 12–114 of this title.

12–203.

(a) If the Maryland Vehicle Law or a rule or regulation of the Administration **OR COMMISSION** provides that an applicant or licensee may request a hearing on refusal, suspension, or revocation of a license or privilege, the Administration **OR THE COMMISSION, AS APPLICABLE**, shall give the applicant or licensee written notice under § 12–114 of this title of:

(1) The refusal, suspension, or revocation; and

(2) The right of the applicant or licensee to request a hearing.

1 (b) (1) Except as otherwise provided in the Maryland Vehicle Law, the
2 applicant or licensee may request a hearing within 15 days from the date that the
3 notice required by this section is mailed.

4 (2) The hearing shall be held within 30 days of the date of the request.

5 (3) The Administration shall render a decision within 30 days of a
6 hearing conducted under Title 16, Subtitles 1 through 4 of this article.

7 12–204.

8 Notice of any hearing scheduled by [this] **THE** Administration **OR**
9 **COMMISSION** shall state:

10 (1) The date, time, place, and nature of the hearing;

11 (2) The legal authority and jurisdiction of the Administration **OR**
12 **COMMISSION, AS APPLICABLE**, to hear the matter;

13 (3) The facts in sufficient detail to enable a party to prepare [his] **THE**
14 **PARTY’S** case;

15 (4) The nature of the proposed action that the Administration **OR**
16 **COMMISSION, AS APPLICABLE**, is to consider;

17 (5) The right of a party to call witnesses and offer documentary
18 evidence under the provisions of § 10–213 of the State Government Article;

19 (6) When applicable, the right of a party to request the subpoena of
20 witnesses and the costs thereof;

21 (7) That a copy of the hearing procedures is available on request of a
22 party, and the cost to obtain a copy;

23 (8) The right of a party to the hearing to be represented by counsel;
24 and

25 (9) If a licensee is a party to the hearing, the right of the
26 Administration **OR COMMISSION, AS APPLICABLE**, on failure of the licensee to
27 appear, to:

28 (i) Order a suspension of the party’s license or privilege until
29 the party appears for a hearing; or

30 (ii) Impose any sanction proposed in the notice.

1 12-205.

2 Each hearing shall be held on the date, at the approximate time, and at the
3 place that the Administration **OR COMMISSION, AS APPLICABLE**, specifies, subject
4 to any limitations specifically set forth in the Maryland Vehicle Law.

5 12-208.

6 (a) After a hearing, the Administration **OR COMMISSION** may:

7 (1) Refuse, suspend, or revoke the license or privilege of an applicant
8 or licensee;

9 (2) Rescind, continue, or modify any prior action; or

10 (3) Take any other action permitted by the Maryland Vehicle Law.

11 (b) If a decision or order of the Administration **OR COMMISSION** is adverse
12 to any party to the hearing, the decision or order:

13 (1) Shall be made in accordance with § 10-221 of the State
14 Government Article; and

15 (2) Unless service is waived by the party, shall be served on the party
16 or the party's attorney.

17 (c) Subject to § 10-209(b) and (c) of the State Government Article, and
18 except as otherwise provided in this article, if a party fails to appear for a hearing
19 scheduled under the Maryland Vehicle Law, the Administration **OR COMMISSION, AS**
20 **APPLICABLE**, may:

21 (1) For a hearing scheduled under § 12-203 of this subtitle, impose the
22 sanction proposed in the notice; or

23 (2) For a hearing scheduled under § 12-202 of this subtitle, order:

24 (i) A suspension of the party's license or privilege until the
25 party appears for a hearing; or

26 (ii) The imposition of any sanction proposed in the notice.

27 12-209.

28 (a) (1) Any aggrieved party to a hearing may appeal from a decision or
29 order of the Administration **OR COMMISSION, AS APPLICABLE**, in accordance with
30 this subsection.

1 (2) If the matter concerns the license of an individual to drive and the
2 individual is a resident of this State, the aggrieved party may appeal to the circuit
3 court for the county in which the individual resides.

4 (3) If the matter concerns any other license or privilege of a person,
5 the aggrieved party may appeal to the circuit court for the county in which the
6 principal place of business of the person in this State is located.

7 (4) If the appeal involves a nonresident motorist, the aggrieved party
8 may appeal to the circuit court for the county in which the motorist was convicted of
9 the violation to which the matter relates.

10 (5) If not otherwise provided in this section or elsewhere in the
11 Maryland Vehicle Law, the aggrieved party may appeal to the Circuit Court for Anne
12 Arundel County.

13 (b) The Administrative Procedure Act shall govern in an appeal.

14 (c) Except as provided in § 16–205.1 of this article, if an appeal is filed in a
15 case by an aggrieved licensee, the Administration **OR COMMISSION, AS**
16 **APPLICABLE**, shall grant a stay of its decision or order for not more than 120 days,
17 unless it appears to the Administration **OR COMMISSION** that substantial and
18 immediate harm could result to the licensee or others if the license or privilege is
19 continued pending appeal.

20 15–101.

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

22 [(b) “Administration funds” means any payment or other money which is:

23 (1) Paid to a person licensed under Subtitle 2, 3, 4, or 6 of this title;
24 and

25 (2) Owed to the Administration for payment of taxes or fees.]

26 (B) **“COMMISSION” MEANS THE MOTOR VEHICLE COMMISSION.**

27 (C–1) **“DEALER LICENSE” MEANS A LICENSE ISSUED UNDER § 15–302 OF**
28 **THIS TITLE.**

29 (C–2) **“FUND” MEANS THE MOTOR VEHICLE COMMISSION FUND.**

30 (C–3) **“MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH LICENSE”**
31 **MEANS A LICENSE ISSUED UNDER § 15–402 OF THIS TITLE.**

1 **(G-1) “VEHICLE SALESMAN LICENSE” MEANS A LICENSE ISSUED UNDER §**
2 **15-402 OF THIS TITLE.**

3 15-102.

4 (a) Each application for a license under this title shall be made on the form
5 that the [Administration] **COMMISSION** requires.

6 (b) In addition to any other information required by this title, each
7 application for a license under this title shall include:

8 (4) Any other information that the [Administration] **COMMISSION**
9 requires.

10 15-103.

11 (a) (1) Except as provided in paragraph (2) of this subsection, a surety
12 bond required of a licensee under this title shall be for the benefit of the
13 [Administration] **COMMISSION** and any other person who suffers any loss because of
14 a violation by the licensee[, his] **OR THE LICENSEE’S** agents[,] or employees of those
15 provisions of the Maryland Vehicle Law that the [Administration] **COMMISSION**
16 specifies.

17 (2) A manufacturer’s or distributor’s bond required under Subtitle 2 of
18 this title shall be for the benefit of the [Administration] **COMMISSION**, any dealer,
19 any buyer of a new or used Class A vehicle, and any member of the public who suffers
20 any loss because of the breach of any express or implied warranty given by the
21 manufacturer or distributor to a buyer of the vehicle from a dealer.

22 (c) **(1)** If, before a surety bond required under this title expires or is
23 terminated, the licensee does not file satisfactory evidence that the bond has been
24 extended or replaced by a bond that the [Administration] **COMMISSION** approves,
25 [his] **THE LICENSEE’S** license automatically is suspended.

26 **(2)** The [Administration] **COMMISSION** immediately shall notify the
27 licensee of the suspension.

28 15-104.

29 The [Administration] **COMMISSION** shall issue a license under this title to an
30 applicant if:

31 (1) The applicant has complied with the provisions of this title that
32 apply to that license; and

1 (2) The applicant otherwise is entitled to a license.

2 15-105.

3 (b) A licensee may not remove or relocate the location specified for the
4 licensed activity, unless the licensee has applied for and obtained a supplemental
5 license from the [Administration] **COMMISSION**.

6 (c) A licensee may not open any additional location other than a location
7 specified for the licensed activity, unless the licensee has applied for and obtained a
8 supplemental license from the [Administration] **COMMISSION**.

9 (f) During business hours, the records of the licensee shall be open to
10 inspection by the [Administration] **COMMISSION** or any police officer while
11 discharging [his] **THE POLICE OFFICER'S** official duties.

12 15-106.

13 (a) If, during any license year, there is any change in the information that a
14 licensee gave the [Administration] **COMMISSION** in obtaining a license under this
15 title, the licensee shall report the change to the [Administration] **COMMISSION**
16 within 30 days after the change occurs.

17 (b) If, during any license year, there is any change in the information that a
18 licensee gave the [Administration] **COMMISSION** in retaining a license under this
19 title, the licensee shall report the change to the [Administration] **COMMISSION**
20 within 30 days after the change occurs.

21 (c) The report under this section shall be made on the form that the
22 [Administration] **COMMISSION** requires.

23 15-107.

24 (A) If a license issued under this title is lost, stolen, mutilated, destroyed, or
25 becomes illegible, the [Administration] **COMMISSION** may issue a duplicate license on
26 application and payment of a fee established by the [Administration] **COMMISSION**.

27 (B) Before the [Administration] **COMMISSION** issues a duplicate, it may
28 require the licensee to furnish satisfactory proof of the loss, theft, mutilation,
29 destruction, or illegibility.

30 (C) When the [Administration] **COMMISSION** issues the duplicate, the
31 license previously issued is void.

32 15-108.

1 (a) Each license issued under this title expires on a staggered basis as
2 determined by the [Administration] COMMISSION.

3 15-109.

4 In addition to any other grounds specified in this title for refusal, suspension, or
5 revocation of a license, the [Administration] COMMISSION may refuse to grant a
6 license under this title to any person and may suspend, revoke, or refuse to renew the
7 license of any person if it finds that:

8 (1) The person has violated or is attempting to violate any provision of
9 this title or any rule or regulation adopted under this title;

10 (2) The person has violated or is attempting to violate any of the other
11 provisions of the Maryland Vehicle Law that relate to the business or activity of that
12 person; or

13 (3) Any officer, manager, agent, or employee of the person has violated
14 or is attempting to violate any provision of this title, any rule or regulation adopted
15 under this title, or any of the other provisions of the Maryland Vehicle Law that relate
16 to the business or activity of the person, unless the [Administration] COMMISSION is
17 satisfied that the individuals engaged in the management of the business or activity:

18 (i) Had no knowledge of the wrongful conduct; or

19 (ii) Were unable to prevent the violation or attempted violation.

20 15-110.

21 (a) If the [Administration] COMMISSION refuses an application for a license
22 or for the renewal of a license under this title, the applicant may request a hearing
23 under Title 12, Subtitle 2 of this article.

24 (b) The [Administration] COMMISSION may suspend or revoke a license
25 issued under this title only after a hearing under Title 12, Subtitle 2 of this article.

26 15-110.1.

27 (a) If the [Administration] COMMISSION determines that there are
28 reasonable grounds to suspend, revoke, or refuse to renew a license under this title,
29 the [Administration] COMMISSION and the licensee may agree to conciliate the
30 matter by conference.

31 (b) The [Administration] COMMISSION shall adopt regulations establishing
32 criteria for the assessment of fines under this title.

1 15-111.

2 (a) If the [Administration] COMMISSION suspends the license of any person
3 licensed under this title, the licensee immediately shall return the license to the
4 [Administration] COMMISSION.

5 (b) If the [Administration] COMMISSION revokes the license of any person
6 licensed under this title, the licensee immediately shall return the license to the
7 [Administration] COMMISSION.

8 15-113.

9 (b) During business hours, the records shall be open to inspection by the
10 [Administration] COMMISSION, by the Department of State Police, or by a law
11 enforcement officer with a county or municipal police department or sheriff's office
12 who is assigned to an antitheft unit.

13 15-113.1.

14 (e) (1) During business hours or other hours of operation, an automotive
15 repair facility or vehicle storage facility shall make available for inspection by the
16 [Administration] COMMISSION, by the Department of State Police, or by a law
17 enforcement officer with a county or municipal police department or sheriff's office
18 who is assigned to an antitheft unit:

19 (i) Records required under this section; and

20 (ii) Used major component parts and vehicles for which records
21 are required.

22 (2) If an automotive repair facility or a vehicle storage facility is
23 unable to produce a record required under this section, the automotive repair facility
24 or vehicle storage facility may produce other evidence satisfactory to the
25 [Administration] COMMISSION or law enforcement officer of proof of ownership or
26 right of possession.

27 15-115.

28 (b) A citation issued for a violation under § 15-113 or § 15-113.1 of this
29 subtitle shall include:

30 (1) Information advising the person receiving the citation of the
31 manner in which liability may be contested; and

32 (2) A warning that failure to pay the civil penalty or to contest liability
33 in a timely manner in accordance with the citation:

- 1 (i) Is an admission of liability and waiver of defenses; and
- 2 (ii) Results in an entry of a default judgment that may include a
3 fine, court costs, and administrative expenses in favor of the [Administration]
4 COMMISSION against the person named in the citation.
- 5 (c) (1) Subject to paragraph (2) of this subsection, the District Court:
- 6 (i) May enter a default judgment in favor of the
7 [Administration] COMMISSION if a person fails to pay a fine or comply with a notice
8 to appear; and
- 9 (ii) Shall mail notice of any default judgment to the person
10 named in the citation.

11 **SUBTITLE 1A. MOTOR VEHICLE COMMISSION.**

12 **15-1A-101.**

13 **THERE IS A MOTOR VEHICLE COMMISSION IN THE DEPARTMENT.**

14 **15-1A-102.**

15 **(A) THE COMMISSION CONSISTS OF THE FOLLOWING NINE MEMBERS:**

16 **(1) FIVE WHO HAVE A DEALER LICENSE;**

17 **(2) THREE WHO ARE CONSUMERS OF DEALER SERVICES; AND**

18 **(3) ONE WHO IS A REPRESENTATIVE OF THE ADMINISTRATION.**

19 **(B) THE MEMBERS OF THE COMMISSION SHALL BE APPOINTED BY THE**
20 **GOVERNOR IN CONSULTATION WITH THE SECRETARY AND WITH THE ADVICE**
21 **AND CONSENT OF THE SENATE.**

22 **(C) (1) EACH MEMBER OF THE COMMISSION SHALL BE A CITIZEN OF**
23 **THE STATE.**

24 **(2) EACH LICENSED DEALER MEMBER SHALL HAVE HAD A**
25 **DEALER LICENSE FOR AT LEAST 10 YEARS IMMEDIATELY BEFORE**
26 **APPOINTMENT TO THE COMMISSION.**

27 **(3) EACH CONSUMER MEMBER OF THE COMMISSION:**

1 (I) SHALL BE A MEMBER OF THE GENERAL PUBLIC;

2 (II) MAY NOT BE LICENSED BY OR SUBJECT TO REGULATION
3 BY THE COMMISSION;

4 (III) MAY NOT BE REQUIRED TO MEET THE QUALIFICATION
5 REQUIREMENTS FOR THE DEALER MEMBERS OF THE COMMISSION; AND

6 (IV) MAY NOT, WITHIN 1 YEAR BEFORE APPOINTMENT, HAVE
7 HAD A FINANCIAL INTEREST IN OR RECEIVED COMPENSATION FROM A PERSON
8 REGULATED BY THE COMMISSION.

9 (D) WHILE A MEMBER OF THE COMMISSION, A CONSUMER MEMBER
10 MAY NOT HAVE A FINANCIAL INTEREST IN OR RECEIVE COMPENSATION FROM A
11 PERSON REGULATED BY THE COMMISSION.

12 (E) (1) (I) EXCEPT FOR THE INITIAL TERMS OF THE COMMISSION
13 MEMBERS, THE TERM OF A MEMBER IS 5 YEARS AND BEGINS ON JUNE 1.

14 (II) THE TERMS OF MEMBERS ARE STAGGERED AS
15 REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON
16 OCTOBER 1, 2014.

17 (III) THE TERMS OF THE INITIAL COMMISSION MEMBERS
18 SHALL BE STAGGERED AS FOLLOWS:

19 1. THREE MEMBERS, AS DETERMINED BY THE
20 COMMISSION, SHALL SERVE A TERM OF 3 YEARS;

21 2. THREE MEMBERS, AS DETERMINED BY THE
22 COMMISSION, SHALL SERVE A TERM OF 4 YEARS; AND

23 3. THREE MEMBERS, AS DETERMINED BY THE
24 COMMISSION, SHALL SERVE A TERM OF 5 YEARS.

25 (2) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE
26 5-YEAR TERMS.

27 (3) AT THE END OF A TERM, A MEMBER SHALL CONTINUE TO
28 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

1 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
2 **SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED**
3 **AND QUALIFIES.**

4 **(F) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR**
5 **MISCONDUCT.**

6 **15-1A-103.**

7 **(A) FROM AMONG ITS MEMBERS, THE COMMISSION SHALL ELECT A**
8 **CHAIR ANNUALLY.**

9 **(B) (1) THE TERM OF THE CHAIR IS 1 YEAR.**

10 **(2) AT THE END OF A TERM, THE CHAIR MAY BE REELECTED.**

11 **(C) THE CHAIR SHALL PERFORM THE DUTIES THAT THIS TITLE AND THE**
12 **COMMISSION REQUIRE.**

13 **(D) WHILE IN OFFICE, THE CHAIR SHALL BE COVERED BY A SURETY**
14 **BOND IN THE FORM AND AMOUNT REQUIRED BY LAW.**

15 **15-1A-104.**

16 **(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMISSION**
17 **IS A QUORUM.**

18 **(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
19 **COMMISSION SHALL MEET AS NECESSARY AT A TIME AND LOCATION**
20 **DETERMINED BY THE COMMISSION.**

21 **(2) THE COMMISSION SHALL MEET AT LEAST TWO TIMES IN 1**
22 **CALENDAR YEAR.**

23 **(C) EACH MEMBER OF THE COMMISSION IS ENTITLED TO:**

24 **(1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET;**
25 **AND**

26 **(2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD**
27 **STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

28 **15-1A-105.**

1 (A) THE COMMISSION MAY EMPLOY A STAFF, INCLUDING AN
2 INVESTIGATIVE STAFF, IN ACCORDANCE WITH THE STATE BUDGET.

3 (B) WHILE EMPLOYED BY THE COMMISSION, AN INDIVIDUAL MAY NOT:

4 (1) HAVE AN ACTIVE DEALER LICENSE;

5 (2) HAVE AN ACTIVE VEHICLE SALESMAN LICENSE;

6 (3) BE A REPRESENTATIVE OF AN ENTITY THAT HAS A
7 MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH LICENSE;

8 (4) ENGAGE IN AN ACT FOR WHICH A LICENSE IS REQUIRED
9 UNDER SUBTITLE 2, SUBTITLE 3, OR SUBTITLE 4 OF THIS TITLE; OR

10 (5) IN CONNECTION WITH A MOTOR VEHICLE SALES
11 TRANSACTION, DIRECTLY OR INDIRECTLY RECEIVE OR BECOME ENTITLED TO
12 RECEIVE A FEE, PRIVILEGE, OR COMPENSATION.

13 **15-1A-106.**

14 (A) TO PROTECT THE INTERESTS OF THE PUBLIC, THE COMMISSION
15 SHALL ADOPT, BY REGULATION, A CODE OF ETHICS TO SET STANDARDS OF
16 CONDUCT FOR A PERSON WITH:

17 (1) A DEALER LICENSE;

18 (2) A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH
19 LICENSE; OR

20 (3) A VEHICLE SALESMAN LICENSE.

21 (B) THE COMMISSION SHALL:

22 (1) PROVIDE A COPY OF THE CODE OF ETHICS TO EACH LICENSEE
23 AT LEAST ONCE EVERY 2 YEARS; AND

24 (2) ON REQUEST, PROVIDE THE REQUESTOR WITH A COPY OF THE
25 CODE OF ETHICS.

26 **15-1A-107.**

1 **(A) THE COMMISSION MAY ADOPT:**

2 **(1) BYLAWS FOR THE CONDUCT OF ITS PROCEEDINGS;**

3 **(2) REGULATIONS TO GOVERN APPLICATIONS FOR LICENSEES;**

4 **AND**

5 **(3) REGULATIONS TO CARRY OUT THIS SUBTITLE.**

6 **(B) THE COMMISSION SHALL ADOPT:**

7 **(1) GUIDELINES THAT ESTABLISH A SCHEDULE FOR THE TIMELY**
8 **RESOLUTION OF EACH COMPLAINT MADE TO THE COMMISSION; AND**

9 **(2) REGULATIONS FOR THE CONDUCT OF HEARINGS.**

10 **(C) THE COMMISSION SHALL:**

11 **(1) (I) PROVIDE A COPY OF THE REGULATIONS ADOPTED**
12 **UNDER THIS SECTION TO EACH LICENSEE AT LEAST ONCE EVERY 2 YEARS; AND**

13 **(II) ON REQUEST, PROVIDE THE REQUESTOR WITH A COPY**
14 **OF THE REGULATIONS; AND**

15 **(2) ESTABLISH AND MAINTAIN A WEB SITE.**

16 **15-1A-108.**

17 **(A) A PERSON MAY FILE A COMPLAINT WITH THE COMMISSION**
18 **ALLEGING THAT A PERSON REQUIRED TO BE LICENSED UNDER § 15-202,**
19 **§ 15-302, OR § 15-402 OF THIS TITLE VIOLATED A PROVISION UNDER SUBTITLE**
20 **1, SUBTITLE 2, SUBTITLE 3, OR SUBTITLE 4 OF THIS TITLE.**

21 **(B) A COMPLAINT FILED UNDER SUBSECTION (A) OF THIS SECTION**
22 **SHALL:**

23 **(1) BE IN WRITING; AND**

24 **(2) STATE SPECIFICALLY THE FACTS ON WHICH THE COMPLAINT**
25 **IS BASED.**

1 **(C) IF A COMPLAINT IS MADE BY A PERSON OTHER THAN A MEMBER OF**
2 **THE COMMISSION, THE COMPLAINT SHALL BE MADE UNDER OATH BY THE**
3 **PERSON WHO SUBMITS THE COMPLAINT.**

4 **15-1A-109.**

5 **(A) THE COMMISSION SHALL ADMINISTER AND ENFORCE THE**
6 **PROVISIONS OF SUBTITLES 1, 1A, 2, 3, AND 4 OF THIS TITLE.**

7 **(B) THE COMMISSION SHALL CONDUCT AN INVESTIGATION OF A**
8 **COMPLAINT ALLEGING THAT:**

9 **(1) A PERSON REQUIRED TO HOLD A DEALER LICENSE, A**
10 **MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH LICENSE, OR A VEHICLE**
11 **SALESMAN LICENSE HAS VIOLATED A PROVISION UNDER SUBTITLE 1, SUBTITLE**
12 **2, SUBTITLE 3, OR SUBTITLE 4 OF THIS TITLE; OR**

13 **(2) AN UNLICENSED PERSON IS CONDUCTING BUSINESS THAT**
14 **REQUIRES A DEALER LICENSE, A MANUFACTURER, DISTRIBUTOR, OR FACTORY**
15 **BRANCH LICENSE, OR A VEHICLE SALESMAN LICENSE.**

16 **(C) (1) THE COMMISSION MAY HOLD A HEARING ON THE MERITS OF A**
17 **COMPLAINT.**

18 **(2) THE COMMISSION SHALL:**

19 **(I) HOLD THE HEARING WITHIN 120 DAYS OF THE FILING**
20 **OF THE COMPLAINT;**

21 **(II) DETERMINE THE TIME AND LOCATION OF THE**
22 **HEARING; AND**

23 **(III) ISSUE A DECISION WITHIN 30 DAYS OF THE HEARING.**

24 **(D) IF THE COMMISSION CONCLUDES THAT A VIOLATION OF SUBTITLE**
25 **1, SUBTITLE 2, SUBTITLE 3, OR SUBTITLE 4 OF THIS TITLE MAY RESULT IN**
26 **IRREPARABLE HARM TO A PERSON, THE COMMISSION MAY:**

27 **(1) DENY, SUSPEND, OR REVOKE:**

28 **(I) A DEALER LICENSE;**

1 (II) A MANUFACTURER, DISTRIBUTOR, OR FACTORY
2 BRANCH LICENSE; OR

3 (III) A VEHICLE SALESMAN LICENSE;

4 (2) FINE THE LICENSEE; AND

5 (3) GRANT A LICENSE SUBJECT TO CONDITIONS DETERMINED BY
6 THE COMMISSION.

7 (E) (1) IN CONNECTION WITH ANY DISCIPLINARY ACTION,
8 INVESTIGATION, OR PROCEEDING INITIATED FOR AN ALLEGED VIOLATION OF
9 SUBTITLE 1, SUBTITLE 2, SUBTITLE 3, OR SUBTITLE 4 OF THIS TITLE, THE
10 COMMISSION MAY:

11 (I) ADMINISTER OATHS;

12 (II) ISSUE A SUBPOENA FOR THE:

13 1. ATTENDANCE OF A WITNESS TO TESTIFY; OR

14 2. PRODUCTION OF EVIDENCE; AND

15 (III) TAKE DEPOSITIONS IN THE SAME MANNER AS
16 PROVIDED IN CIVIL CASES IN THE STATE.

17 (2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED
18 UNDER THIS SUBSECTION, ON PETITION OF THE COMMISSION OR ANOTHER
19 PARTY, A CIRCUIT COURT MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

20 15-1A-110.

21 (A) (1) AN AGGRIEVED PARTY TO A HEARING MAY APPEAL A
22 DECISION OR AN ORDER MADE BY THE COMMISSION TO THE CIRCUIT COURT
23 FOR THE COUNTY IN WHICH THE AGGRIEVED PARTY RESIDES.

24 (2) AN ORDER OR A DECISION MADE BY THE COMMISSION MAY BE
25 APPEALED SOLELY ON THE BASIS THAT THE COMMISSION MADE AN ERROR OF
26 LAW.

27 (3) AN AGGRIEVED PARTY SHALL INDICATE IN THE APPEAL
28 WHETHER IT IS AN APPEAL ON AN ISSUE OF LAW OR FACT.

1 **(B) (1) AN ORDER OR A DECISION MADE BY THE COMMISSION MAY BE**
2 **SET ASIDE OR VACATED ONLY IF THE CIRCUIT COURT DETERMINES THAT**
3 **COMMISSION MADE AN ERROR OF LAW.**

4 **(2) THE COMMISSION SHALL SUBMIT INTO EVIDENCE A**
5 **CERTIFIED COPY OF THE COMMISSION OR HEARING BOARD'S DECISION ON THE**
6 **CASE AT ISSUE.**

7 **(3) ALL FINDINGS OF FACT OF THE COMMISSION ARE PRESUMED**
8 **TO BE CORRECT UNLESS REBUTTED BY CLEAR AND CONVINCING EVIDENCE.**

9 **(C) THERE IS A RIGHT TO TRIAL BY JURY IN AN ACTION BROUGHT**
10 **UNDER THIS SECTION.**

11 **15-1A-111.**

12 **THE COMMISSION SHALL SUBMIT TO THE SECRETARY AN ANNUAL**
13 **REPORT OF THE ACTIVITIES OF THE COMMISSION THAT INCLUDES:**

14 **(1) A STATEMENT OF THE TOTAL RECEIPTS FROM LICENSE FEES;**

15 **(2) A STATEMENT OF THE TOTAL EXPENDITURES OF THE**
16 **COMMISSION;**

17 **(3) THE NUMBER OF DEALER LICENSES, MANUFACTURER,**
18 **DISTRIBUTOR, OR FACTORY BRANCH LICENSES, AND VEHICLE SALESMAN**
19 **LICENSES IN EACH COUNTY;**

20 **(4) THE NUMBER OF HEARINGS HELD;**

21 **(5) THE NUMBER OF COMPLAINTS RECEIVED;**

22 **(6) THE NUMBER OF INVESTIGATIONS CONDUCTED;**

23 **(7) THE NUMBER OF APPLICATIONS FOR LICENSES DENIED;**

24 **(8) THE TOTAL NUMBER OF LICENSES SUSPENDED OR REVOKED;**
25 **(9) THE NUMBER OF CASES RESOLVED WITHIN THE SCHEDULE**
26 **ADOPTED UNDER § 15-1A-107 OF THIS SUBTITLE; AND**

27 **(10) ANY OTHER INFORMATION THAT REFLECTS THE WORK OF**
28 **THE COMMISSION.**

1 **15-1A-112.**

2 (A) ON REQUEST AND PAYMENT OF A \$10 PROCESSING FEE TO THE
3 COMMISSION, THE COMMISSION SHALL CERTIFY THE LICENSING STATUS AND
4 QUALIFICATIONS OF THE PERSON THAT IS THE SUBJECT OF THE REQUEST.

5 (B) EACH CERTIFICATION UNDER THIS SECTION:

6 (1) SHALL INCLUDE A STATEMENT OF THE LICENSING STATUS OF
7 THE PERSON THAT IS THE SUBJECT OF THE REQUEST; AND

8 (2) MAY INCLUDE:

9 (I) THE EXAMINATION RESULTS AND OTHER
10 QUALIFICATIONS OF THAT PERSON;

11 (II) THE DATES OF ISSUANCE AND RENEWAL OF THE
12 LICENSE OF THAT PERSON;

13 (III) INFORMATION ABOUT ANY DISCIPLINARY ACTION
14 TAKEN AGAINST THAT PERSON; AND

15 (IV) IF AUTHORIZED BY THE PERSON THAT IS THE SUBJECT
16 OF THE REQUEST, INFORMATION ABOUT ANY COMPLAINT AGAINST THAT
17 PERSON.

18 **15-1A-113.**

19 IN ADDITION TO ANY POWERS AND DUTIES ESTABLISHED IN THIS
20 SUBTITLE, THE COMMISSION MAY:

21 (1) ADOPT A SEAL;

22 (2) USE THE SEAL TO AUTHENTICATE ITS PROCEEDINGS; AND

23 (3) APPROVE EDUCATIONAL COURSES FOR A PERSON WITH:

24 (I) A DEALER LICENSE;

25 (II) A MANUFACTURER, DISTRIBUTOR, OR FACTORY
26 BRANCH LICENSE; AND

1 **(III) A VEHICLE SALESMAN LICENSE.**

2 **15-1A-114.**

3 **(A) (1) BEGINNING ON JULY 1, 2015, THE COMMISSION MAY SET BY**
4 **REGULATION REASONABLE FEES FOR ITS SERVICES.**

5 **(2) THE FEES CHARGED SHALL BE:**

6 **(I) SET AT AN AMOUNT THAT IS SUFFICIENT TO COVER THE**
7 **COST OF ADMINISTERING AND ENFORCING THIS SUBTITLE; AND**

8 **(II) DEPOSITED INTO THE FUND ESTABLISHED UNDER §**
9 **15-1A-115 OF THIS SUBTITLE.**

10 **(B) (1) THE COMMISSION SHALL DETERMINE ON AN ANNUAL BASIS**
11 **WHETHER ADDITIONAL FUNDING IS NECESSARY TO ADMINISTER AND ENFORCE**
12 **THIS SUBTITLE.**

13 **(2) IF THE COMMISSION DETERMINES THAT ADDITIONAL**
14 **FUNDING IS NECESSARY, THE COMMISSION SHALL ADOPT REGULATIONS**
15 **ESTABLISHING FEES THAT ENSURE THAT REVENUES FROM THE FEES**
16 **ACCURATELY REFLECT THE COSTS OF ADMINISTERING AND ENFORCING THIS**
17 **SUBTITLE.**

18 **(C) THE COMMISSION SHALL:**

19 **(1) ADOPT A FEE SCHEDULE FOR THE LICENSES ISSUED UNDER**
20 **§§ 15-202, 15-302, AND 15-402 OF THIS TITLE; AND**

21 **(2) PUBLISH THE FEE SCHEDULE ON THE COMMISSION'S WEB**
22 **SITE.**

23 **(D) THE COMMISSION SHALL PAY ALL FEES COLLECTED UNDER**
24 **SUBTITLES 1, 1A, 2, 3, AND 4 OF THIS TITLE TO THE COMPTROLLER.**

25 **15-1A-115.**

26 **(A) THERE IS A MOTOR VEHICLE COMMISSION FUND.**

27 **(B) THE PURPOSE OF THE FUND IS TO PAY THE COSTS OF**
28 **ADMINISTERING AND ENFORCING THIS SUBTITLE.**

1 **(C) THE COMMISSION SHALL ADMINISTER THE FUND.**

2 **(D) (1) THE FUND IS A CONTINUING, SPECIAL, NONLAPSING FUND**
3 **THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT**
4 **ARTICLE.**

5 **(2) THE STATE TREASURER SHALL HOLD AND THE**
6 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

7 **(3) THE FUND SHALL BE INVESTED AND REINVESTED, AND ANY**
8 **INVESTMENT EARNINGS SHALL BE PAID INTO THE FUND.**

9 **(E) THE FUND CONSISTS OF:**

10 **(1) THE FEES COLLECTED UNDER SUBTITLES 1, 1A, 2, 3, AND 4**
11 **OF THIS TITLE;**

12 **(2) INVESTMENT EARNINGS OF THE FUND;**

13 **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**
14 **AND**

15 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
16 **FOR THE BENEFIT OF THE FUND.**

17 **15-1A-116.**

18 **THE COMMISSION EXERCISES ITS POWERS, DUTIES, AND FUNCTIONS**
19 **SUBJECT TO THE AUTHORITY OF THE SECRETARY.**

20 **15-201.**

21 (d) “License” means a manufacturer’s, distributor’s, or factory branch’s
22 license issued by the [Administration] **COMMISSION** under this subtitle.

23 **15-202.**

24 (a) A manufacturer may not transfer any new motor vehicle, new two-stage
25 vehicle, or truck component part to any dealer or distributor in this State unless the
26 manufacturer is licensed by the [Administration] **COMMISSION** under this subtitle.

27 (b) A distributor may not transfer any new motor vehicle, or new two-stage
28 vehicle to any dealer in this State unless the distributor is licensed by the
29 [Administration] **COMMISSION** under this subtitle.

1 (c) A person may not conduct the business of a factory branch in new motor
2 vehicles, or new two-stage vehicles unless the person is licensed by the
3 [Administration] **COMMISSION** under this subtitle.

4 15-204.

5 (a) Each licensee shall pay [an]:

6 (I) **A ONE-TIME FEE OF \$1,000 FOR EACH NEW LICENSE; AND**

7 (II) **AN** annual fee to the [Administration] **COMMISSION** for each
8 license year or part of a license year for which the license is issued.

9 (b) The annual license fee for a manufacturer or a distributor shall be
10 established by the [Administration] **COMMISSION** based on the combined number of
11 new motor vehicles, new two-stage vehicles, and truck component parts transferred by
12 the manufacturer or distributor to dealers in this State during the preceding license
13 year.

14 (c) The annual license fee for a factory branch shall be established by the
15 [Administration] **COMMISSION**.

16 15-205.

17 (a) After the [Administration] **COMMISSION** notifies a manufacturer or
18 distributor of new motor vehicles of the approval of an application for a license and
19 before the [Administration] **COMMISSION** issues a license, the manufacturer or
20 distributor shall file with the [Administration] **COMMISSION** a surety bond in the
21 form and with the surety that the [Administration] **COMMISSION** approves.

22 15-209.

23 (a) A manufacturer may not terminate, cancel, or fail to renew the franchise
24 of a dealer, notwithstanding any term or provision of the franchise, unless:

25 (2) Except as otherwise provided by subsection (d) of this section, the
26 manufacturer:

27 (ii) Provides the [Administration] **COMMISSION** with a copy of
28 that notice.

29 (b) A distributor may not terminate, cancel, or fail to renew the franchise of a
30 dealer, notwithstanding any term or provision of the franchise, unless:

1 (2) Except as otherwise provided by subsection (d) of this section, the
2 distributor:

3 (ii) Provides the [Administration] COMMISSION with a copy of
4 that notice.

5 (c) A factory branch may not terminate, cancel, or fail to renew the franchise
6 of a dealer, notwithstanding any term or provision of the franchise, unless:

7 (2) Except as otherwise provided by subsection (d) of this section, the
8 factory branch:

9 (ii) Provides the [Administration] COMMISSION with a copy of
10 that notice.

11 (e) (2) If the dealer requests a hearing under this subsection, the dealer's
12 franchise continues in effect, notwithstanding any term or provision of the franchise or
13 any other provision of this subtitle, until the [Administration] COMMISSION, after
14 the hearing, makes a final determination.

15 (3) A dealer, manufacturer, distributor, or factory branch may appeal
16 the determination of the [Administration] COMMISSION to the circuit court for the
17 county in which the dealer's principal place of business is located.

18 (4) If the dealer, manufacturer, distributor, or factory branch appeals
19 the determination of the [Administration] COMMISSION to a circuit court, the
20 dealer's franchise continues in effect, notwithstanding any term or provision of the
21 franchise or any other provision of this subtitle, until the circuit court makes a final
22 determination.

23 15–212.

24 (b) In addition to the other grounds specified in [Subtitle 1] SUBTITLES 1
25 AND 1A of this title for refusal, suspension, or revocation of a license, the
26 [Administration] COMMISSION may refuse to grant a license under this subtitle to
27 any person and may suspend, revoke, or refuse to renew the license of any person if it
28 finds that the person has:

29 (1) Made any material misrepresentation in transferring a vehicle or
30 truck component part to a dealer or distributor;

31 (2) Failed to comply with any written warranty agreement; or

32 (3) Failed to reasonably compensate any franchised dealer who does
33 work under:

1 (i) The vehicle preparation and delivery obligations of the
2 dealer; or

3 (ii) Any outstanding express or implied new vehicle or truck
4 component parts warranty.

5 15-301.

6 In this subtitle, "license" means a dealer's license issued by the
7 [Administration] **COMMISSION** under this subtitle.

8 15-302.

9 (a) A person may not conduct the business of a dealer unless the person is
10 licensed by the [Administration] **COMMISSION** under this subtitle.

11 15-304.

12 (a) Except as provided in subsection (b) of this section, a person may not be
13 licensed under this subtitle unless:

14 (3) That business either:

15 (ii) Has an existing contract, approved by the [Administration]
16 **COMMISSION**, that requires the contractor to service, at a reasonably convenient
17 location, the vehicles to be sold by the business.

18 (b) (1) As to trailers, semitrailers, motorcycles, Class C (funeral and
19 ambulance) vehicles, or emergency vehicles as defined in § 11-118(2), (5), and (6) of
20 this article, the sale of these vehicles need not be the only or principal business
21 conducted from the fixed location, but shall be subject to any reasonable location
22 requirements determined by the [Administration] **COMMISSION** by rule or regulation.

23 (2) A wholesale dealer may be licensed under this subtitle regardless
24 of whether the wholesale dealer meets the requirements of subsection (a)(1) and (3) of
25 this section, but a wholesale dealer shall be subject to any reasonable location
26 requirements determined by the [Administration] **COMMISSION** by rule or regulation.

27 (d) A vehicle dealer or licensed vehicle salesman listed in subsection (c) of
28 this section may participate in a vehicle show if:

29 (2) At least 60 days before the vehicle show, an application is filed
30 with the [Administration] **COMMISSION**, for approval by the [Administration]
31 **COMMISSION**, that contains:

1 (i) A list of the names and business addresses of participating
2 dealers;

3 (ii) The location of the vehicle show;

4 (iii) The specific dates on which the vehicle show will be held;
5 and

6 (iv) Other reasonable information required by the
7 [Administration] **COMMISSION**; and

8 15–305.

9 (d) (1) **(I)** If a franchise required by this section is terminated in
10 accordance with § 15–209 of this title, the license of the dealer shall be suspended
11 automatically unless, before the effective date of termination, the licensed dealer files
12 satisfactory evidence that the franchise has been extended.

13 **(II)** The [Administration] **COMMISSION** immediately shall
14 notify the licensee of the suspension.

15 (2) (i) Notwithstanding paragraph (1) of this subsection, if a
16 franchise issued to a licensee who deals in Class M motor homes or Class G travel
17 trailers is terminated for any reason, the [Administration] **COMMISSION** may
18 authorize the licensee to dispose of the Class M motor homes and Class G travel
19 trailers that were in the dealer's inventory prior to the franchise termination without
20 applying for a certificate of title in the dealership's name or paying the applicable
21 excise tax.

22 (iii) After the initial authorization period under subparagraph (i)
23 of this paragraph, the [Administration] **COMMISSION** may review each situation on a
24 case by case basis and determine whether a further extension of time to dispose of
25 remaining inventory is warranted or whether the dealer shall be required to take title
26 to any remaining Class M motor homes and Class G travel trailers in the dealer's
27 inventory.

28 15–305.1.

29 (a) A wholesale dealer who is licensed by the [Administration]
30 **COMMISSION** under this subtitle:

31 (1) May buy a vehicle from another dealer, at an auto auction, or from
32 a retail seller;

33 (2) May sell a vehicle to or exchange vehicles with another dealer;

1 (3) Except as provided in item (4) of this subsection, may sell a vehicle
2 or exchange vehicles at an auto auction;

3 (4) May not sell a vehicle to or exchange vehicles with a retail buyer;
4 and

5 (5) May not buy, sell, or exchange new vehicles.

6 15-307.

7 (a) Each licensed dealer shall pay to the [Administration an] **COMMISSION:**

8 **(1) A ONE-TIME FEE OF \$100 FOR EACH NEW INDEPENDENT**
9 **DEALER LICENSE;**

10 **(2) A ONE-TIME FEE OF \$100 FOR EACH NEW WHOLESALE**
11 **DEALER LICENSE;**

12 **(3) A ONE-TIME FEE OF \$200 FOR EACH NEW DEALER LICENSE;**
13 **AND**

14 **(4) AN** annual license fee established by the [Administration]
15 **COMMISSION** for each license year or part of a license year for which the license is
16 issued.

17 (c) On payment of the [fee] **FEEs** required by this section and issuance of a
18 dealer's license, the [Administration] **COMMISSION** also shall issue one vehicle
19 salesman's license without further charge.

20 15-308.

21 (a) (1) After the [Administration] **COMMISSION** notifies an applicant of
22 the approval of an application and before the [Administration] **COMMISSION** issues a
23 license, the applicant shall file with the [Administration] **COMMISSION** a surety bond
24 in the form and with the surety that the [Administration] **COMMISSION** approves.

25 (c) (2) Subject to paragraph (3) of this subsection, the [Administration]
26 **COMMISSION** shall base the amount of a surety bond for an applicant described in
27 paragraph (1) of this subsection on the estimated volume of sales in the initial year in
28 which the license is in effect.

29 (d) Notwithstanding subsection (c) of this section, if an applicant seeks a
30 license for a location that is or that previously had been operated by a licensed dealer,
31 the [Administration] **COMMISSION** may require a surety bond under subsection (b)(2)

1 or (3) of this section based on the volume of sales at that location during a preceding
2 license year.

3 15-311.1.

4 (a) (1) In this section, “dealer processing charge” includes an amount
5 charged by a dealer for:

6 (iv) Filing title documents with the [Administration]
7 COMMISSION;

8 15-312.

9 (h) A dealer or an agent or employee of a dealer may not rent a dealer
10 registration plate issued by the [Administration] COMMISSION.

11 15-314.

12 (c) A dealer or an agent or employee of a dealer may not willfully fail to
13 notify the [Administration] COMMISSION of any change of ownership, management,
14 business name, or location or of the employment of vehicle salesmen, as required by
15 this title.

16 (f) A dealer or an agent or employee of a dealer may not willfully fail to
17 comply with any rule, regulation, or lawful order adopted by the [Administration]
18 COMMISSION under this title.

19 15-315.

20 (a) In addition to the other grounds specified in [Subtitle 1] SUBTITLES 1
21 AND 1A of this title for refusal, suspension, or revocation of a license, the
22 [Administration] COMMISSION may refuse to grant a license under this subtitle to
23 any person and may suspend, revoke, or refuse to renew the license of any person if it
24 finds that:

25 (1) The person, his management personnel, or any other person who
26 has a direct or indirect financial interest in the dealership is untrustworthy, lacks
27 competence, or has been convicted by final judgment in any court of a crime of moral
28 turpitude;

29 (2) The vehicle sales transactions of the person have been marked by a
30 practice of failure to perform contracts or by fraud or bad faith;

31 (3) The person or the manufacturer or distributor of the vehicles in
32 which the person deals is not in compliance with the surety bond requirements of §
33 15-205 of this title; or

1 (4) The person has failed to comply with any of the provisions of the
2 Maryland Vehicle Law relating to the registration of vehicles, certificates of title, and
3 the sale of vehicles.

4 15-401.

5 In this subtitle, "license" means a vehicle salesman's license issued by the
6 [Administration] **COMMISSION** under this subtitle.

7 15-402.

8 (a) A person may not act as a vehicle salesman unless the person is licensed
9 by the [Administration] **COMMISSION** under this subtitle.

10 15-404.

11 (c) If a dealer makes a certified statement under this section, the dealer
12 immediately shall notify the [Administration] **COMMISSION** of any termination of
13 employment of the salesman.

14 (d) The notification required under subsection (c) of this section shall be
15 made on the form that the [Administration] **COMMISSION** requires.

16 15-406.

17 (a) Except as otherwise provided in this title, each licensee shall pay an
18 annual fee to the [Administration] **COMMISSION** for each license year or part of a
19 license year for which the license is issued.

20 (b) The annual license fee shall be established by the [Administration]
21 **COMMISSION**.

22 15-411.

23 (f) A vehicle salesman may not willfully fail to comply with any rule,
24 regulation, or lawful order adopted by the [Administration] **COMMISSION** under this
25 title.

26 15-412.

27 In addition to the other grounds specified in [Subtitle 1] **SUBTITLES 1 AND 1A**
28 of this title for refusal, suspension, or revocation of a license, the [Administration]
29 **COMMISSION** may refuse to grant a license under this subtitle to any person and may
30 suspend, revoke, or refuse to renew the license of any person if it finds that:

1 (1) The person has been convicted by final judgment in any court of a
2 crime of moral turpitude; or

3 (2) The vehicle sales transactions of the person have been marked by a
4 practice of failure to perform contracts or by fraud or bad faith.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2014.