

SENATE BILL 886

R4

2lr2714
CF HB 931

By: **Senator Lee**

Introduced and read first time: February 7, 2022

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Dealers – Incentives**

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 2021 Supplement)

17 BY adding to
18 Article – Transportation
19 Section 15–208(f)
20 Annotated Code of Maryland
21 (2020 Replacement Volume and 2021 Supplement)

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

24 **Article – Transportation**

25 15–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

10 15–208.

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2022.