

SB0414/748079/1

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 414  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in lines 3 and 4, strike “a designated” and substitute “an”; in line 4, strike “of an” and substitute “and a registered”; in line 5, after “contract;” insert “establishing that an obligor or a vehicle dealer is liable for the actions of its agent under certain circumstances; establishing a civil penalty for an agent or an agent’s employee that violates certain provisions of this Act; requiring an obligor or a licensed vehicle dealer that uses an agent to sell a mechanical repair contract to maintain a certain list and, on request, make the list available to the Insurance Commissioner; requiring an agent to maintain a certain list and, on request, make the list available to the agent’s obligor or licensed vehicle dealer within a certain period of time; providing that a list maintained under this Act may be stored in an electronic format; increasing the penalty for a violation of certain provisions of this Act; making conforming changes;”; in line 9, after “(c)” insert “and 27-101(ff)”; and after line 11, insert:

“BY renumbering

Article – Transportation

Section 15-311.2(d), (e), (f), (g), (h), (i), (j), (k), (l), (m), and (n), respectively to be Section 15-311.2(e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (o), respectively

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY adding to

Article – Transportation

Section 15-311.2(d)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

(Over)

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SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 15-311.2(d), (e), (f), (g), (h), (i), (j), (k), (l), (m), and (n), respectively, of Article – Transportation of the Annotated Code of Maryland be renumbered to be Section(s) 15-311.2(e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (o), respectively.”;

and in line 12, strike “1.” and substitute “2.”.

AMENDMENT NO. 2

On page 1, in line 17, after “(2)” insert ““AGENT” MEANS A BUSINESS ENTITY THAT IS AUTHORIZED BY AN OBLIGOR OR A LICENSED VEHICLE DEALER TO SELL A MECHANICAL REPAIR CONTRACT.

(3)”;

in line 18, strike “A DESIGNATED” and substitute “AN”; and in lines 18 and 19, strike “OF AN OBLIGOR”.

On page 2, in line 27, strike “(3)” and substitute “(4)”.

AMENDMENT NO. 3

On page 3, in line 13, strike beginning with “Other” in line 13 down through the second “not” in line 14 and substitute “ONLY A LICENSED VEHICLE DEALER, AN AGENT, A REGISTERED OBLIGOR, AN EMPLOYEE OF A LICENSED VEHICLE DEALER, AN AGENT, OR A REGISTERED OBLIGOR MAY”; in line 16, after “(ii)” insert “AN OBLIGOR OR A LICENSED VEHICLE DEALER IS LIABLE FOR THE ACTIONS OF ITS AGENT WHEN THE AGENT IS OFFERING OR SELLING A MECHANICAL REPAIR CONTRACT ON BEHALF OF THE OBLIGOR OR VEHICLE DEALER.

(III)”.

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AMENDMENT NO. 4

On page 4, in line 4, strike “not” and substitute “:

**(I) NOT**;

in line 5, after “section” insert “; **AND**

**(II) NOT LESS THAN \$100 BUT NOT EXCEEDING \$5,000 FOR EACH VIOLATION OF THIS SECTION COMMITTED BY AN AGENT OR THE AGENT’S EMPLOYEE WHILE OFFERING OR SELLING A MECHANICAL REPAIR CONTRACT ON BEHALF OF THE REGISTRANT.**

**(D) (1) AN OBLIGOR OR A LICENSED VEHICLE DEALER THAT USES AN AGENT TO SELL A MECHANICAL REPAIR CONTRACT SHALL:**

**(I) MAINTAIN A LIST OF ITS AGENTS; AND**

**(II) MAKE THE LIST AVAILABLE TO THE INSURANCE COMMISSIONER ON REQUEST.**

**(2) AN AGENT SHALL:**

**(I) MAINTAIN A LIST CONTAINING THE NAMES OF EACH EMPLOYEE WHO IS AUTHORIZED TO SELL A MECHANICAL REPAIR CONTRACT; AND**

**(II) ON REQUEST, PROVIDE THE LIST TO ITS OBLIGOR OR LICENSED VEHICLE DEALER WITHIN 10 BUSINESS DAYS FROM RECEIPT OF THE REQUEST.**

(Over)

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**(3) A LIST MAINTAINED UNDER THIS SUBSECTION MAY BE STORED  
IN AN ELECTRONIC FORMAT**”;

after line 5, insert:

“27-101.

(ff) A person that is convicted of a violation of § 15-311.2(c)(5) of this article:

(1) Is subject to a fine of not more than ~~[\$1,000]~~ **\$5,000** or imprisonment for not more than 1 year or both; and

(2) May be required to pay restitution.”;

and in line 6, strike “2.” and substitute “3.”.