

SENATE BILL 1031

R4

8lr2732

By: **Senators Hough and Lee**

Introduced and read first time: February 5, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Dealers – Consumer Data Protection**

3 FOR the purpose of prohibiting manufacturers, distributors, and factory branches, or their
4 agents, from requiring or coercing a dealer to share consumer data from the dealer's
5 data management system in certain manners; prohibiting manufacturers,
6 distributors, and factory branches, or their agents, from taking adverse action
7 against a dealer for refusing to share certain consumer data; requiring
8 manufacturers, distributors, and factory branches, or their agents, to provide certain
9 indemnification to dealers; defining certain terms; and generally relating to
10 consumer data protection by vehicle manufacturers and dealers.

11 BY adding to

12 Article – Transportation

13 Section 15–207.1

14 Annotated Code of Maryland

15 (2012 Replacement Volume and 2017 Supplement)

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

18 **Article – Transportation**

19 **15–207.1.**

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (2) “CONSUMER DATA” MEANS NONPUBLIC PERSONAL
23 INFORMATION, AS DEFINED IN 15 U.S.C. § 6809(4), COLLECTED BY A DEALER AND
24 PROVIDED BY THE DEALER DIRECTLY TO A MANUFACTURER, DISTRIBUTOR, OR

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **FACTORY BRANCH, OR ITS AGENT.**

2 **(3) "DATA MANAGEMENT SYSTEM" MEANS A COMPUTER HARDWARE**
3 **OR SOFTWARE SYSTEM THAT:**

4 **(I) IS OWNED, LEASED, OR LICENSED BY A DEALER, INCLUDING**
5 **A SYSTEM OF WEB-BASED APPLICATIONS;**

6 **(II) IS LOCATED AT THE DEALERSHIP OR HOSTED REMOTELY;**
7 **AND**

8 **(III) STORES AND PROVIDES ACCESS TO CONSUMER DATA**
9 **COLLECTED AND STORED BY THE DEALER.**

10 **(B) A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH, OR ITS AGENT:**

11 **(1) MAY NOT REQUIRE OR COERCE A DEALER TO SHARE CONSUMER**
12 **DATA FROM THE DEALER'S DATA MANAGEMENT SYSTEM:**

13 **(I) THROUGH THE FRANCHISE AGREEMENT;**

14 **(II) AS A CONDITION OF RENEWAL OR CONTINUATION OF THE**
15 **FRANCHISE AGREEMENT; OR**

16 **(III) AS A CONDITION OF RECEIVING A BENEFIT OR PAYMENT**
17 **UNDER AN INCENTIVE OR REIMBURSEMENT PROGRAM;**

18 **(2) MAY NOT TAKE ANY ADVERSE ACTION AGAINST A DEALER FOR**
19 **REFUSING TO SHARE CONSUMER DATA FROM THE DEALER'S DATA MANAGEMENT**
20 **SYSTEM; AND**

21 **(3) SHALL INDEMNIFY THE DEALER FOR ANY THIRD-PARTY CLAIMS**
22 **ASSERTED AGAINST OR DAMAGES INCURRED BY THE DEALER OR A CUSTOMER TO**
23 **THE EXTENT THE CLAIMS OR DAMAGES ARE CAUSED BY ACCESS TO OR USE OR**
24 **DISCLOSURE OF CONSUMER DATA BY THE MANUFACTURER, DISTRIBUTOR, OR**
25 **FACTORY BRANCH, OR ITS AGENT, OR A THIRD PARTY TO WHICH THE**
26 **MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH, OR ITS AGENT, HAS**
27 **PROVIDED THE CONSUMER DATA.**

28 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
29 **October 1, 2018.**