

HB1173/483825/1

BY: Environment and Transportation Committee

AMENDMENTS TO HOUSE BILL 1173
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “State;” insert “establishing licensing requirements for a recreational vehicle manufacturer, distributor, or factory branch;”; in line 13, strike “and 15–301.1”; and in the same line, strike “15–909” and substitute “15–915”.

AMENDMENT NO. 2

On page 1, strike line 23 in its entirety.

On page 2, strike line 1 in its entirety; in line 21, after “(F)” insert “**“FACTORY BRANCH” MEANS A BRANCH OFFICE OF A MANUFACTURER FROM WHICH THE MANUFACTURER:**

(1) SELLS OR PROMOTES SALES OF A PARTICULAR BRAND OR MAKE OF NEW RECREATIONAL VEHICLES TO DEALERS IN THE STATE;

(2) DIRECTS AND SUPERVISES THE MANUFACTURER’S REPRESENTATIVES IN THE STATE; OR

(3) SUPERVISES OR CONTACTS DEALERS OR PROSPECTIVE DEALERS IN THE STATE.

(G)”;

in line 24, strike “(G)” and substitute “**(H)**”; and in line 27, strike “(H)” and substitute:

“(I) “LICENSE” MEANS A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH LICENSE ISSUED BY THE ADMINISTRATION UNDER THIS SUBTITLE.

(J)”.

On page 3, in lines 9, 11, 13, 15, and 26, strike “(I)”, “(J)”, “(K)”, “(L)”, and “(M)”, respectively, and substitute “(K)”, “(L)”, “(M)”, “(N)”, and “(O)”, respectively.

On page 4, in line 1, strike “(N)” and substitute “(P)”; after line 7, insert:

“(A) A MANUFACTURER MAY NOT TRANSFER ANY NEW RECREATIONAL VEHICLE TO ANY DEALER OR DISTRIBUTOR IN THE STATE UNLESS THE MANUFACTURER IS LICENSED BY THE ADMINISTRATION UNDER THIS SUBTITLE.

(B) A DISTRIBUTOR MAY NOT TRANSFER ANY NEW RECREATIONAL VEHICLE TO ANY DEALER IN THE STATE UNLESS THE DISTRIBUTOR IS LICENSED BY THE ADMINISTRATION UNDER THIS SUBTITLE.

(C) A PERSON MAY NOT CONDUCT THE BUSINESS OF A FACTORY BRANCH OF A RECREATIONAL VEHICLE MANUFACTURER UNLESS THE PERSON IS LICENSED BY THE ADMINISTRATION UNDER THIS SUBTITLE.

15-903.

(A) IN ADDITION TO THE INFORMATION REQUIRED UNDER SUBTITLE 1 OF THIS TITLE, EACH APPLICATION FOR A LICENSE UNDER THIS SUBTITLE SHALL INCLUDE:

(1) THE ADDRESS OF THE PRINCIPAL PLACE OF BUSINESS OF THE APPLICANT;

(2) THE ADDRESS OF EACH PLACE OF BUSINESS FROM WHICH THE APPLICANT WILL MAKE SUBSTANTIAL CONTACTS WITH DEALERS IN THE STATE; AND

(3) THE NATURE OF THE BUSINESS TO BE CONDUCTED AT EACH ADDRESS.

(B) EACH APPLICANT FOR A LICENSE SHALL SUBMIT AS PART OF THE APPLICATION:

(1) A COPY OF EACH FORM FOR ANY NEW VEHICLE WARRANTY CURRENTLY PROVIDED OR OFFERED BY THE APPLICANT;

(2) A COPY OF EACH FRANCHISE CONTRACT AND ANY OTHER CONTRACT WITH DEALERS USED BY THE APPLICANT, TOGETHER WITH A LIST OF DEALERS IN THE STATE WHO HOLD A FRANCHISE FROM THE APPLICANT;

(3) A COPY OF THE VEHICLE PREPARATION AND DELIVERY OBLIGATIONS OF THE DEALERS DESCRIBED IN ITEM (2) OF THIS SUBSECTION; AND

(4) A STATEMENT OF THE COMPENSATION STRUCTURE THE APPLICANT AGREES TO PAY A DEALER FOR PARTS SUPPLIED AND WORK DONE BY A DEALER UNDER:

(i) THE PREPARATION AND DELIVERY OBLIGATIONS OF THE DEALER; OR

(Over)

(II) ANY OUTSTANDING EXPRESS OR IMPLIED NEW RECREATIONAL VEHICLE WARRANTY.

15-904.

(A) EACH LICENSEE SHALL PAY AN ANNUAL FEE TO THE ADMINISTRATION FOR EACH LICENSE YEAR OR PART OF A LICENSE YEAR FOR WHICH THE LICENSE IS ISSUED.

(B) THE ANNUAL LICENSE FEE FOR A MANUFACTURER OR A DISTRIBUTOR SHALL BE ESTABLISHED BY THE ADMINISTRATION BASED ON THE COMBINED NUMBER OF NEW RECREATIONAL VEHICLES TRANSFERRED BY THE MANUFACTURER OR DISTRIBUTOR TO DEALERS IN THE STATE DURING THE PRECEDING LICENSE YEAR.

(C) THE ANNUAL LICENSE FEE FOR A FACTORY BRANCH SHALL BE ESTABLISHED BY THE ADMINISTRATION.

15-905.

(A) AFTER THE ADMINISTRATION NOTIFIES A MANUFACTURER OR DISTRIBUTOR OF NEW RECREATIONAL VEHICLES OF THE APPROVAL OF AN APPLICATION FOR A LICENSE AND BEFORE THE ADMINISTRATION ISSUES A LICENSE, THE MANUFACTURER OR DISTRIBUTOR SHALL FILE WITH THE ADMINISTRATION A SURETY BOND IN THE FORM AND WITH THE SURETY THAT THE ADMINISTRATION REQUIRES.

(B) (1) THE AMOUNT OF THE SURETY BOND SHALL BE BASED ON THE NUMBER OF NEW RECREATIONAL VEHICLES TRANSFERRED BY THE

MANUFACTURER OR DISTRIBUTOR TO DEALERS IN THE STATE DURING THE PRECEDING LICENSE YEAR, AS FOLLOWS:

(I) IF 1 TO 50 VEHICLES WERE TRANSFERRED, A \$25,000 SURETY BOND;

(II) IF 51 TO 500 VEHICLES WERE TRANSFERRED, A \$50,000 SURETY BOND;

(III) IF 501 TO 10,000 VEHICLES WERE TRANSFERRED, A \$100,000 SURETY BOND; AND

(IV) IF MORE THAN 10,000 VEHICLES WERE TRANSFERRED, A \$300,000 SURETY BOND.

(2) EACH SURETY BOND SHALL CONTINUOUSLY MAINTAIN THE AMOUNT SPECIFIED IN THIS SUBSECTION.

(3) A MANUFACTURER OR DISTRIBUTOR NEED NOT FILE MORE THAN ONE BOND REGARDLESS OF THE NUMBER OF MAKES OF RECREATIONAL VEHICLES MANUFACTURED OR DISTRIBUTED.

15-906.

A LICENSE ISSUED UNDER THIS SUBTITLE AUTHORIZES THE LICENSEE TO CONDUCT THE BUSINESS OF A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH DURING THE LICENSE YEAR FOR WHICH IT IS ISSUED.

15-907.

(Over)

(A) IN THIS SECTION, “GOOD FAITH” MEANS HONESTY IN FACT AND THE OBSERVANCE OF REASONABLE COMMERCIAL STANDARDS OF FAIR DEALING IN THE TRADE.

(B) A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH, WHETHER DIRECTLY OR THROUGH AN AGENT, AN EMPLOYEE, OR A REPRESENTATIVE, MAY NOT FAIL TO ACT IN GOOD FAITH:

(1) IN ACTING OR PURPORTING TO ACT UNDER THE TERM, PROVISIONS, OR CONDITIONS OF ANY FRANCHISE AGREEMENT; OR

(2) IN ANY TRANSACTION OR CONDUCT GOVERNED BY THIS SUBTITLE.

15-908.”;

in line 8, after “A” insert “NEW”; in line 13, after “DESIGNATE” insert “THE DURATION OF THE DEALER AGREEMENT AND”; in line 18, after “VEHICLE” insert “IN THE STATE UNLESS”; in line 19, after “(1)” insert “THE DEALER IS LICENSED BY THE ADMINISTRATION UNDER TITLE 15, SUBTITLE 3 OF THIS ARTICLE;

(2)”;

in the same line, strike “IN THE STATE WITHOUT HAVING” and substitute “THE DEALER HAS”; and in line 21, strike “(2) OUTSIDE OF” and substitute “(3) THE DEALER IS SELLING WITHIN”; and in line 30, strike “15-903.” and substitute “15-909.”.

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On page 5, in line 5, after “TERMINATION” insert “OR”; in the same line, after “CANCELLATION” insert “OF”; in line 10, after “2.” insert “THE NATURE AND EXTENT OF THE DEALER’S INVESTMENT IN THE DEALER’S BUSINESS;”

3.”;

in lines 12 and 14, strike “3.” and “4.”, respectively, and substitute “4.” and “5.”, respectively; in line 15, strike “AND” and substitute:

“6. ANY FAILURE OF THE DEALER TO FOLLOW AGREED-ON PROCEDURES AND STANDARDS RELATED TO THE OVERALL OPERATION OF THE DEALERSHIP CONSISTENT WITH THE LAW AND THE DEALER AGREEMENT; AND”;

and in line 16, strike “5.” and substitute “7.”.

On page 6, in line 28, after “(2)” insert “(I) IF THE TERMINATION, CANCELLATION, OR NONRENEWAL OF THE MODEL, LINE-MAKE, OR DEALER AGREEMENT IS FOR GOOD CAUSE, THE DEALER HAS THE BURDEN OF SHOWING GOOD CAUSE.”

(II)”;

and in line 29, strike “(I)” and substitute “1.”.

On page 7, in lines 1, 4, 7, 10, and 13, strike “(II)”, “(III)”, “(IV)”, “(V)”, and “(VI)”, respectively, and substitute “2.”, “3.”, “4.”, “5.”, and “7.”, respectively; and in line 12, strike “OR” and substitute:

(Over)

“6. COERCION OR ATTEMPTED COERCION OF A DEALER BY A MANUFACTURER OR DISTRIBUTOR, AS DEFINED IN § 15-907 OF THIS SUBTITLE; OR”.

On page 8, in line 14, strike “15-904.” and substitute “15-910.”.

On page 9, in line 26, strike “15-905.” and substitute “15-911.”.

On page 12, in line 9, strike “15-906.” and substitute “15-912.”; and in line 29, strike “15-907.” and substitute “15-913.”.

On page 13, in line 16, strike “15-908.” and substitute “15-914.”.

On page 14, in line 4, strike “15-909.” and substitute “15-915.”.