

SENATE BILL 511

R4

0lr1588

By: **Senators Frosh and Forehand**

Introduced and read first time: February 3, 2010

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 28, 2010

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Manufacturers – Advertising – Prohibiting Threats to Dealers**

3 FOR the purpose of prohibiting a vehicle manufacturer, either directly or through an
4 agent, employee, affiliate, or representative, from threatening a dealer with the
5 loss of certain benefits for listing the manufacturer's invoice price for a vehicle
6 in certain advertising if the advertisement contains a certain notice and is not
7 in violation of the Maryland Consumer Protection Act; ~~prohibiting a vehicle~~
8 ~~manufacturer, either directly or through an agent, employee, affiliate, or~~
9 ~~representative, from threatening a dealer with the loss of certain benefits for~~
10 ~~listing certain information about another manufacturer on the dealer's website,~~
11 ~~if the dealer has a franchise agreement with the other dealer,~~ and generally
12 relating to vehicle manufacturers.

13 BY repealing and reenacting, without amendments,
14 Article – Transportation
15 Section 15–201(a) and (e)
16 Annotated Code of Maryland
17 (2009 Replacement Volume and 2009 Supplement)

18 BY adding to
19 Article – Transportation
20 Section 15–207(k)
21 Annotated Code of Maryland
22 (2009 Replacement Volume and 2009 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Transportation**

4 15–201.

5 (a) In this subtitle the following words have the meanings indicated.

6 (e) “Manufacturer” means:

7 (1) A manufacturer of new motor vehicles constructed or assembled in
8 the United States;

9 (2) A second–stage manufacturer of new two–stage vehicles completed
10 in the United States; and

11 (3) In the case of trucks, a person engaged in the business of
12 manufacturing truck component parts.

13 15–207.

14 **(K) A MANUFACTURER, EITHER DIRECTLY OR THROUGH AN AGENT,
15 EMPLOYEE, AFFILIATE, OR REPRESENTATIVE, MAY NOT THREATEN A DEALER
16 WITH THE LOSS OF A FRANCHISE, OR THE LOSS OF A BENEFIT AVAILABLE TO
17 OTHER DEALERS, OR THE LOSS OF A LINK, REFERRAL, OR OTHER BENEFIT
18 RELATED TO THE MANUFACTURER’S INTERNET WEBSITE, FOR:**

19 **~~(1) LISTING~~ (1) LISTING THE MANUFACTURER’S INVOICE PRICE FOR
20 A VEHICLE IN ANY PRINT, MEDIA, OR ELECTRONIC ADVERTISING, IF THE
21 ADVERTISING LISTING THE INVOICE PRICE:**

22 **~~(1)~~ (1) CONTAINS A CLEAR AND CONSPICUOUS NOTICE
23 THAT STATES:**

24 **“NOTICE TO BUYER: THE INVOICE PRICE MAY BE HIGHER THAN THE TRUE
25 FINAL COST TO THE DEALER.”; AND**

26 **~~(1)~~ (2) IS NOT IN VIOLATION OF THE MARYLAND
27 CONSUMER PROTECTION ACT; OR**

28 **~~(2) LISTING ON THE DEALER’S WEBSITE ANY ADVERTISING OR
29 OTHER INFORMATION REGARDING THE PRODUCTS OF ANOTHER
30 MANUFACTURER, IF THE DEALER HAS A FRANCHISE AGREEMENT WITH THE
31 OTHER MANUFACTURER.~~**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.