

Chapter 168

(House Bill 1202)

AN ACT concerning

Business Regulation – Franchises – Copies of Documents to Franchisees

FOR the purpose of prohibiting a franchisor from selling a franchise in the State without first giving a prospective franchisee a copy of the offering prospectus and a copy of each proposed agreement that relates to the sale of the franchise at the earlier of: a certain period of time before the execution of a certain binding agreement, a certain period of time before payment of certain consideration, or at the prospective franchisee's reasonable request to receive a copy of the offering prospectus; and generally relating to providing copies of certain documents to franchisees.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 14–223
Annotated Code of Maryland
(2004 Replacement Volume and 2009 Supplement)

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

Article – Business Regulation

14–223.

A franchisor may not sell a franchise in the State without first giving a prospective franchisee a copy of the offering prospectus and a copy of each proposed agreement that relates to the sale of the franchise at the earlier of:

(1) [the first personal meeting of the franchisor and] **14 CALENDAR DAYS BEFORE THE EXECUTION BY** the prospective franchisee [to discuss the possible sale of the franchise; or] **OF ANY BINDING AGREEMENT WITH THE FRANCHISOR;**

(2) [10 business days before the execution of a contract or] **14 CALENDAR DAYS BEFORE** payment of any consideration that relates to the franchise relationship; **OR**

(3) **A REASONABLE REQUEST BY A PROSPECTIVE FRANCHISEE TO RECEIVE A COPY OF THE OFFERING PROSPECTUS.**

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

Approved by the Governor, April 13, 2010.