

CHAPTER 140

(House Bill 251)

AN ACT to repeal and re-enact, with amendments, Section 5-401(a) of Article 66 1/2 of the Annotated Code of Maryland (1970 Replacement Volume), title "Vehicle Laws," subtitle "5. Licensing of Dealers, Wreckers, Scrap Processors and Vehicle Salesmen," subheading "Part IV. Unlawful Acts by Dealers and Vehicle Salesmen," to make unlawful a motor vehicle dealer, salesman, agent, or employee [allowing] knowingly permitting a person to road test a motor vehicle without ascertaining that the person has a [proper driver's license.] VALID DRIVER'S LICENSE OF THE APPROPRIATE CLASSIFICATION.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 5-401(a) of Article 66 1/2 of the Annotated Code of Maryland (1970 Replacement Volume), title "Vehicle Laws," subtitle "5. Licensing of Dealers, Wreckers, Scrap Processors and Vehicle Salesmen," subheading "Part IV. Unlawful Acts by Dealers and Vehicle Salesmen," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

5-401.

(a) The following acts of any dealer, vehicle salesman, or agent or employee of a dealer are unlawful, and are misdemeanors:

1. Wilful failure to perform, without justification, any valid vehicle sales contract; or material deviation from or disregard of the original terms without the consent of the purchaser;

2. Failure of a salesman to account for and to remit to the dealership, any payment received in connection with a vehicle sales contract;

3. Making any material misrepresentation in the procurement of a vehicle sales contract;

4. Any fraud in the execution or material alteration of any contract, power of attorney, or other document incident to a sales transaction;

5. Preparing or accepting any promissory note, or other evidence of indebtedness upon the obligations of a vehicle sales transaction with knowledge that it recites a greater monetary obligation than the consideration together with finance charges and other valid legal charges originally agreed upon in writing by the buyer and seller;

6. Directly or indirectly publishing any advertisement relating to vehicle sales which contains an insertion, representation or statement of fact which is false, deceptive, or misleading; provided that any advertisement which is subject to and complies with the then existing rules, regulations, or guides of the Federal Trade Commission shall not be deemed false, deceptive, or misleading; or by any means advertising or purporting to offer the general public any vehicle with the intent not to accept contracts for that particular vehicle or at the price which is advertised or offered to the public;

7. Wilful or deliberate disregard and violation of the dealer license laws of this State;

8. Doing any vehicle sales business with or through any person who is subject to the licensing requirements of this subtitle with the knowledge that subject person is not licensed as required;