

ment Volume), title "Vehicle Laws," subtitle "Certificates of Title and Registration of Vehicles," to require manufacturers or distributors to file a surety bond in certain circumstances, to provide that the manufacturer will be jointly and severally liable with the dealer for breach of warranty, and to make certain corrections and remove certain obsolete language.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 3-113.3 of Article 66½ of the Annotated Code of Maryland (1970 Replacement Volume), title "Vehicle Laws," subtitle "Certificates of Title and Registration of Vehicles," be and is hereby repealed and re-enacted with amendments to read as follows:

3-113.3.

Manufacturer's bond; liability for breach of warranty. Every manufacturer transferring a new Class A motor vehicle to a dealer pursuant to the provisions of Section 3-113.1 of this Article or a used Class A motor vehicle subject to a manufacturer's express or implied warranty shall file *and maintain* with the [Department] Administration acceptable evidence of a surety bond in such form as the [Department] Administration shall approve in the sum of one hundred thousand dollars (\$100,000.00) for the use and benefit of the [Department] Administration, a dealer and the public who may suffer or sustain any loss by reason of the breach of any express or implied warranty in the sale of such a Class A motor vehicle by a dealer. ~~Every manufacturer shall file only one bond regardless of the number of makes of motor vehicles manufactured.~~ In addition, every manufacturer shall be jointly and severally liable with the dealer to the purchaser of a Class A motor vehicle, as defined herein, for the breach of any express or implied warranty in the sale of such Class A motor vehicle. ~~The filing of the surety bond required by this section shall not, in and of itself, be deemed the doing of business in this State by the surety bond principal.~~

*For the purposes of Sections 3-113.1 and 3-113.3 the term "manufacturer" shall mean: (1) a person engaged in a business of constructing or assembling vehicles of a type required to be registered under this Article; or (2) a person importing such vehicles for resale; or (3) a person who distributes such vehicles of such manufacturer or importer.*

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1971.

Approved May 6, 1971.

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CHAPTER 410  
(House Bill 692)

AN ACT to add new Section 102 to Article 21 of the Annotated Code of Maryland (1966 Replacement Volume), title "Conveyancing," subtitle "Miscellaneous," to follow immediately after Section 101 thereof, to define "lease option agreement," and require