

the offer or sale of franchises in this State.

BY adding to

Article 56 - Licenses

Section 323 through ~~345~~ 344, inclusive, to be  
under the new subtitle "Franchises"  
Annotated Code of Maryland  
(1972 Replacement Volume and 1976 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Sections 323 through ~~345~~ 344, inclusive, to be under the new subtitle "Franchises" be and they are hereby added to Article 56 - Licenses, of the Annotated Code of Maryland (1972 Replacement Volume and 1976 Supplement) to read as follows:

Article 56 - Licenses

FRANCHISES

323.

(A) THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "ADVERTISEMENT" MEANS ANY WRITTEN OR PRINTED COMMUNICATION OR ANY COMMUNICATION BY MEANS OF RECORDING TELEPHONE MESSAGES OR SPOKEN ON RADIO, TELEVISION, OR SIMILAR COMMUNICATIONS MEDIA, PUBLISHED IN CONNECTION WITH AN OFFER OR SALE OF A FRANCHISE.

(C) "COMMISSIONER" MEANS THE SECURITIES COMMISSIONER IN THE LAW DEPARTMENT, OR HIS DESIGNATED AGENT.

(D) "FRANCHISE" MEANS A CONTRACT OR AGREEMENT, EITHER EXPRESSED OR IMPLIED, WHETHER ORAL OR WRITTEN, BETWEEN TWO OR MORE PERSONS BY WHICH:

(1) A FRANCHISE OR DISTRIBUTORSHIP GRANTING THE RIGHT TO ENGAGE IN THE BUSINESS OF OFFERING, SELLING OR DISTRIBUTING GOODS OR SERVICES UNDER A MARKETING PLAN OR SYSTEM PRESCRIBED IN SUBSTANTIAL PART BY A FRANCHISOR OR A DISTRIBUTOR; AND

(2) THE OPERATION OF THE FRANCHISEE'S AND DISTRIBUTOR'S BUSINESS PURSUANT TO A PLAN OR SYSTEM IS SUBSTANTIALLY ASSOCIATED WITH THE FRANCHISOR'S OR DISTRIBUTOR'S TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING OR OTHER COMMERCIAL SYMBOL DESIGNATING THE FRANCHISOR OR DISTRIBUTOR OR THEIR AFFILIATE; AND

(3) THE FRANCHISEE IS REQUIRED TO PAY DIRECTLY OR INDIRECTLY, A FRANCHISE FEE IN EXCESS OF \$100.