

satisfactory evidence that the franchise has been extended. The Administration immediately shall notify the licensee of the suspension.

~~(E) EXCEPT FOR A PERSON WHO IS DEALING IN NEW VEHICLES UNDER A TEMPORARY FINANCING ARRANGEMENT, THE ADMINISTRATION MAY NOT ISSUE A LICENSE TO DEAL IN NEW VEHICLES TO A PERSON WHO IS ACTING FOR A PARTNERSHIP OR CORPORATION THAT IS OWNED OR CONTROLLED BY OR UNDER COMMON CONTROL WITH A MANUFACTURER OR DISTRIBUTOR.~~

(E) NOTWITHSTANDING SUBSECTIONS (A) AND (F) OF THIS SECTION, A MANUFACTURER OR DISTRIBUTOR MAY BE LICENSED AS A DEALER ONLY IF THE MANUFACTURER OR DISTRIBUTOR:

(1) OPERATES TEMPORARILY A DEALERSHIP THAT:

(I) WAS PREVIOUSLY OWNED BY A FRANCHISED DEALER; AND

(II) IS FOR SALE TO ANY QUALIFIED PERSON AT A REASONABLE PRICE; OR

(2) OPERATES A DEALERSHIP IN A BONA FIDE RELATIONSHIP IN WHICH AN INDEPENDENT PERSON:

(I) HAS MADE A SIGNIFICANT INVESTMENT, SUBJECT TO LOSS, IN THE DEALERSHIP; AND

(II) CAN REASONABLY EXPECT TO ACQUIRE FULL OWNERSHIP OF THE DEALERSHIP UNDER REASONABLE TERMS AND CONDITIONS.

(F) A MANUFACTURER OR DISTRIBUTOR, OR A PERSON WHO IS ACTING FOR A PARTNERSHIP OR CORPORATION THAT IS OWNED OR CONTROLLED BY OR UNDER COMMON CONTROL WITH A MANUFACTURER OR DISTRIBUTOR, MAY NOT SELL A NEW VEHICLE TO A RETAIL BUYER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed to apply to any dealership operated by a manufacturer or distributor under Title 15, Subtitle 3 of the Transportation Article on January 1, 1986.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

May 27, 1986

The Honorable Benjamin L. Cardin
Speaker of the House of Delegates
State House