

(a) A license to deal in new vehicles may not be issued to any person unless the manufacturer or distributor of the vehicles is in compliance with the surety bond requirements of § 15-205 of this title.

(b) A license to deal in new vehicles may be issued only for a dealer in new vehicles who holds a franchise from:

(1) The manufacturer of the vehicles; or

(2) A distributor who is authorized by the manufacturer or the manufacturer's authorized importer of the vehicles.

(c) If an applicant for a license to deal in new vehicles seeks to qualify under subsection (b) of this section, the applicant shall submit with the application an exact copy of the required franchise.

(d) If a franchise required by this section is terminated in accordance with § 15-209 of this title, the license of the dealer shall be suspended automatically unless, before the effective date of termination, the licensed dealer files satisfactory evidence that the franchise has been extended. The Administration immediately shall notify the licensee of the suspension.

(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; OR

(3) (I) IS A SECOND-STAGE MANUFACTURER AS DEFINED IN § 13-113.2(A)(7) OF THIS ARTICLE; AND