

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Labor and Employment

3-601.

(a) In this subtitle the following words have the meanings indicated.

(b) "Commission" means compensation that:

(1) is due to a sales representative from a principal; and

(2) accrues at:

(i) a specified amount for each order or sale; or

(ii) a rate expressed as a percentage of the dollar amount that a sales representative:

1. takes in orders for the principal;

2. makes in sales for the principal; or

3. earns in profits for the principal.

(c) "Principal" means a sales corporation, partnership, proprietorship, or other business entity that:

(1) [does not have a fixed place of business in the State;

(2)] distributes, imports, manufactures, or produces a product for wholesale;

[(3)](2) enters into a contract with a sales representative to solicit a wholesale order for the product; and

[(4)](3) pays the sales representative wholly or partly by commission.

(d) (1) "Sales representative" means a person who:

(i) enters into a contract with a principal to solicit in the State a wholesale order; and

(ii) is paid wholly or partly by commission.

(2) "Sales representative" does not include a person who:

(i) buys a product or places an order for a product for resale by that person; or

(ii) sells or takes an order for the sale of a product to an ultimate buyer.

3-602.

This subtitle does not apply to an individual who is considered under the Maryland Wage Payment and Collection Law to be employed by a principal.