

application of this Act; and generally relating to the Maryland Fair Distributorship Act.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section ~~11-1304~~ and 11-1306

Annotated Code of Maryland

(1990 Replacement Volume and 1998 Supplement)

BY adding to

Article – Commercial Law

Section 11-1302.1

Annotated Code of Maryland

(1990 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 11-1307

Annotated Code of Maryland

(1990 Replacement Volume and 1998 Supplement)

#### Preamble

~~WHEREAS, The Maryland Fair Distributorship Act was enacted in 1993 in order to provide reasonable protection to the wholesale commercial distributors in the State in their relationships with manufacturers and grantors;~~

~~WHEREAS, The Act generally requires notice prior to cancellation, provides an opportunity for cure, and requires the use of arbitrations to resolve disputes more quickly;~~

~~WHEREAS, Maryland is located in one of the largest consumer markets in the country and is well situated for distribution operations within and without the State;~~

~~WHEREAS, The Act was amended in 1995 to clarify the application of Maryland law to disputes between the parties and to ensure that Maryland distributors and grantors could seek remedies under the Act in Maryland's courts;~~

~~WHEREAS, The Act has proved useful since its enactment in helping to resolve the differences between distributors and grantors and has served important State interests and public purposes;~~

~~WHEREAS, The Act requires repurchase of a distributor's inventory by the grantor under certain circumstances but does not require payment of related shipping, packing, and other expenses, which leaves the distributor with unnecessary costs that cannot be recouped; and~~