

Senate Bill 676

AN ACT concerning

**Commercial Law - Maryland Fair Distributorship Act - Repurchase Costs
Notice and Arbitration**

FOR the purpose of requiring ~~a distributor to pay for certain costs related to the repurchase of inventory by a grantor; allowing for *that* arbitration proceedings to be conducted in Maryland at the request of either a distributor or a grantor *under certain circumstances; requiring a grantor to provide a distributor certain notice and certain opportunity to cure or dispute under certain circumstances;* making provisions of this Act severable; providing for the 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;~~