

~~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~~

~~WHEREAS, The Act does not clearly delineate that arbitration proceedings be held in Maryland unless the parties mutually agree otherwise even though actions in Maryland courts are clearly permitted; now, therefore,~~

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

Article - Commercial Law

~~11-1304.~~

~~(a) Except as provided in subsection [(c)] (D) of this section, on cancellation or nonrenewal of an agreement by a grantor for any reason, including a distributor's failure to cure under § 11-1305 of this subtitle, the grantor shall have the right to, and must at the option of the distributor, repurchase all merchandise sold by the grantor to the distributor, and the distributor must sell the merchandise to the grantor, at a price equal to:~~

~~(1) An amount agreed on by the parties; or~~

~~(2) (i) With respect to merchandise that is still in its original condition, is part of the grantor's current product line, and was shipped within 6 months of the cancellation or nonrenewal, the purchase price paid by the distributor;~~

~~(ii) With respect to all other merchandise, including samples, display models, and damaged merchandise, the wholesale fair market value of the merchandise less depreciation, or the purchase price paid by the distributor, whichever is less; and~~

~~(iii) With respect to special tools, accessories, display equipment, and other similar items, the purchase price paid by the distributor, less depreciation, or an amount agreed upon by the parties.~~

~~(B) IN ADDITION TO ANY REPURCHASE AMOUNT DUE THE DISTRIBUTOR UNDER THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, THE GRANTOR SHALL PAY ALL SHIPPING, PACKING, RESTOCKING, HANDLING, AND OTHER COSTS RELATED TO THE REPURCHASE TRANSACTION.~~

~~[(b)] (C) The repurchase requirements under subsection (a) of this section shall be completed within 30 days after the effective date of cancellation or nonrenewal, unless the parties agree otherwise.~~