

CHAPTER 667

(House Bill 571)

AN ACT concerning

Vehicle Laws - Manufacturers, Distributors, and Factory Branches - Good Faith Dealings

FOR the purpose of defining the term "good faith" for purposes of certain business transactions involving vehicle manufacturers, distributors, and factory branches; prohibiting a vehicle manufacturer, distributor, or factory branch in the conduct of certain business transactions from failing to act in good faith; providing for the application of this Act; and generally relating to a requirement that vehicle manufacturers, distributors, and factory branches act in good faith.

~~BY repealing and reenacting, with amendments,~~

~~Article - Transportation~~

~~Section 15-207~~

~~Annotated Code of Maryland~~

~~(1999 Replacement Volume and 2000 Supplement)~~

BY adding to

Article - Transportation

Section 15-206.1

Annotated Code of Maryland

(1999 Replacement Volume and 2000 Supplement)

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

Article - Transportation

~~15-207.~~

~~(a) (1) In this section the following words have the meanings indicated:~~

~~(2) (i) "Coerce" means to compel or attempt to compel by threat of harm, breach of contract, or other adverse consequences.~~

~~(ii) "Coerce" does not include to argue, urge, recommend, or persuade.~~

~~(3) "GOOD FAITH" MEANS HONESTY IN FACT AND THE OBSERVANCE OF REASONABLE COMMERCIAL STANDARDS OF FAIR DEALING IN THE TRADE.~~

~~[(3)] (4) "Require" means to impose upon a dealer a provision not required by law or previously agreed to by a dealer in a franchise agreement, excluding business decisions by a manufacturer, distributor, or factory branch which are uniformly applied to all Maryland dealers in new vehicles of the manufacturer, distributor, or factory branch.~~