

(A) NATURE OF BONDS.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A SURETY BOND REQUIRED OF A LICENSEE UNDER THIS TITLE SHALL BE FOR THE BENEFIT OF THE ADMINISTRATION AND ANY OTHER PERSON WHO SUFFERS ANY LOSS BECAUSE OF A VIOLATION BY THE LICENSEE, HIS AGENTS, OR EMPLOYEES OF THOSE PROVISIONS OF THE MARYLAND VEHICLE LAW THAT THE ADMINISTRATION SPECIFIES.

(2) A MANUFACTURER'S OR DISTRIBUTOR'S BOND REQUIRED UNDER SUBTITLE 2 OF THIS TITLE SHALL BE FOR THE BENEFIT OF THE ADMINISTRATION, ANY DEALER, AND ANY BUYER OF A NEW OR USED CLASS A VEHICLE, AND ANY MEMBER OF THE PUBLIC WHO SUFFERS ANY LOSS BECAUSE OF THE BREACH OF ANY EXPRESS OR IMPLIED WARRANTY GIVEN BY THE MANUFACTURER OR DISTRIBUTOR TO A BUYER OF THE VEHICLE FROM A DEALER.

(B) RIGHT OF ACTION.

ANY PERSON WHO SUFFERS A LOSS DESCRIBED IN SUBSECTION (A) OF THIS SECTION HAS A RIGHT OF ACTION IN HIS OWN NAME AGAINST THE SURETY ON THE BOND.

(C) EXPIRATION OR TERMINATION OF BONDS.

IF, BEFORE A SURETY BOND REQUIRED UNDER THIS TITLE EXPIRES OR IS TERMINATED, THE LICENSEE DOES NOT FILE SATISFACTORY EVIDENCE THAT THE BOND HAS BEEN EXTENDED OR REPLACED BY A BOND THAT THE ADMINISTRATION APPROVES, HIS LICENSE AUTOMATICALLY IS SUSPENDED. THE ADMINISTRATION IMMEDIATELY SHALL NOTIFY THE LICENSEE OF THE SUSPENSION.

REVISOR'S NOTE: Subsections (a) (1) and (c) of this section are new language that combine the common provisions presently repeated in each of Art. 66 1/2, §§5-108(a) and (c), 5-305(a) and (c), and 5-804. Subsection (a) (2) of this section is new language derived from Art. 66 1/2, §3-113.3(b) and (c). Subsection (b) of this section is new language added to clarify how an action on these bonds may be brought.

In subsection (a) (2) of this section, the reference to a "buyer of a new or used Class A vehicle" is substituted for the present reference to "the public" for clarification; this construction appears to be required by the express reference to such a buyer in the last sentence of present Art. 66 1/2, §3-113.3(b). However, it may well be that the General Assembly would want to broaden this provision to cover potential damages suffered by a member of the general public as well. In any event, this provision would not limit the right of that person to bring an action and recover damages against a vehicle buyer to