

MARYLAND STATUTES
LABOR AND EMPLOYMENT
TITLE 3 – EMPLOYMENT STANDARDS AND CONDITIONS
SUBTITLE 6 – WHOLESALE SALES REPRESENTATIVES

Section 3-601

Definitions.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Commission” means compensation that:
 - (1) is due to a sales representative from a principal; and
 - (2) accrues at:
 - (i) a specified amount for each order or sale; or
 - (ii) a rate expressed as a percentage of the dollar amount that a sales representative:
 - 1. takes in orders for the principal;
 - 2. makes in sales for the principal; or
 - 3. earns in profits for the principal.
- (c) “Principal” means a sales corporation, partnership, proprietorship, or other business entity that:
 - (1) distributes, imports, manufactures, or produces a product for wholesale;
 - (2) enters into a contract with a sales representative to solicit a wholesale order for the product; and
 - (3) pays the sales representative wholly or partly by commission.
- (d)
 - (1) “Sales representative” means a person who:
 - (i) enters into a contract with a principal to solicit in the State a wholesale order; and
 - (ii) is paid wholly or partly by commission.

(2) “Sales representative” does not include a person who:

- (i) buys a product or places an order for a product for resale by that person; or
- (ii) sells or takes an order for the sale of a product to an ultimate buyer.

MD Labor and Employment Code § 3-601 (2025)

Section 3-602

Scope of Subtitle.

This subtitle does not apply to an individual who is considered under the Maryland Wage Payment and Collection Law to be employed by a principal.

MD Labor and Employment Code § 3-602 (2025)

Section 3-603

Void Waivers.

A provision of a contract that is made between a sales representative and a principal is void if the provision purports to waive any provision of this subtitle by:

- (1) an express waiver; or
- (2) a contract subject to the laws of another state.

MD Labor and Employment Code § 3-603 (2025)

Section 3-604

Payment of Commission on Termination of Contract.

Each principal shall pay to a sales representative all commissions that are due under a contract that is terminated, within 45 days after payment would have been due if the contract had not terminated.

MD Labor and Employment Code § 3-604 (2025)

Section 3-605

Action by Sales Representative.

(a)

- (1) Subject to the requirement of paragraph (2) of this subsection, if a principal violates § 3-604 of this subtitle, a sales representative whom the violation affects is entitled to bring an action against the principal to recover up to 3 times the amount of all commissions that the principal owes to the sales representative.
- (2) At least 10 days before an action is brought under this subsection, the sales representative shall give the principal written notice of intent to bring the action.
- (b) If a court determines that a sales representative is entitled to judgment in an action under this section, the court shall allow against the principal reasonable counsel fees and court costs.

MD Labor and Employment Code § 3-605 (2025)

Section 3-606

Personal Jurisdiction.

For purposes of personal jurisdiction under § 6-103 of the Courts Article, a principal who contracts with a sales representative to solicit wholesale orders for a product in the State is considered to be transacting business in the State.

MD Labor and Employment Code § 3-606 (2025)

Section 3-607

Revocable Offer of Commission.

- (a) If a principal makes a revocable offer of a commission to a sales representative who is not an employee of the principal, the sales representative is entitled to the commission agreed on if:
 - (1) the principal revokes the offer of commission and the sales representative establishes that the revocation was for the purpose of avoiding payment of the commission; or
 - (2)

- (i) the revocation occurs after the sales representative has obtained a written order for the principal's product because of the efforts of the sales representative; and
- (ii) the principal's product that is the subject of the order is shipped to and paid for by a customer.

(b) This section may not be construed to:

- (1) impair the application of § 2-201 or § 2-209 of the Commercial Law Article;
- (2) abrogate any rule of agency law; or
- (3) unconstitutionally impair the obligations of contracts.

MD Labor and Employment Code § 3-607 (2025)

Section 3-608

Violations -- Mediation or Action.

- (a) Whenever the Commissioner determines that this subtitle has been violated, the Commissioner shall:
 - (1) try to resolve any issue involved in the violation informally by mediation; or
 - (2) ask the Attorney General to bring an action on behalf of the applicant or employee.
- (b) The Attorney General may bring an action under this section in the county where the violation allegedly occurred for injunctive relief, damages, or other relief.

MD Labor and Employment Code § 3-608 (2025)

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