



February 3, 2022

Delegate C.T. Wilson
Chair, Economic Matters Committee
Room 231
House Office Building
Annapolis, MD 21401

Chairman Wilson and Members of the Economic Matters Committee:

This letter is in **support** of Maryland **HB 274**.

The Center for Auto Safety (the Center), founded in 1970, is a Washington, DC based independent, non-profit, member-driven consumer advocacy organization dedicated to improving vehicle safety, quality, and fuel economy for our members and all drivers, passengers, and pedestrians across the county, including Maryland. Over the last five decades the Center has focused on advancing car and truck safety and quality for all consumers. We have also been at the forefront of protecting consumer rights, from advocating for lemon laws in every state to fighting to see recall repairs be made free of charge to consumers.

The Center has long advocated for fairness, transparency, and accuracy in vehicle pricing and advertising. To that end we have long provided consumers with pre- and post-sale information on vehicle safety and quality. For forty years, we published The Car Book, which provides vehicle buyers advice on achieving safety and satisfaction with their new vehicle purchase, while avoiding the many pitfalls that uninformed purchasers may encounter. Our experience suggests that a primary source of consumer frustration in making an auto purchase is the inability to receive an accurate purchase price prior to making a vehicle selection. This frustration only increases when faced with what can become a large discrepancy between a vehicle's advertised price and the amount of money that it is actually required to purchase that vehicle and drive it off the lot. Beyond the inconvenience and aggravation this often causes for consumers, it can lead to avoidable, unnecessary, and costly financial mistakes for all but the shrewdest of new vehicle shoppers.

Delegate Qi's bill, HB 274, would protect Maryland citizens from the pricing whims of automakers by prohibiting coercion of, or adverse action against, dealers who choose to advertise the actual purchase price of a vehicle on their website. While the value of ensuring that manufacturers must refrain from interfering with the advertisement of accurate and transparent vehicle prices is obvious, the need to do so is sadly based on a history of manufacturer practices focused on maximizing profits instead of providing transparent pricing information. HB 274 allows dealers to advertise the actual selling price and provides consumers with far better information to information for their vehicle selection and purchase.

Perhaps most importantly to the Center for Auto Safety is that HB 274 prohibits dealers from using false, deceptive, and misleading advertisements in the sales process.¹ Dealers who violate this standard would rightly not be protected by this bill, ensuring accurate pricing information at both the manufacturer and dealer level. Intentionally unfair advertising undermines all parties who wish to compete on a level playing field and should be prohibited by law.

Accordingly, a mechanism that would prevent manufacturers from sticking dealers and ultimately consumers with prices that they shouldn't have to pay is in the greater public interest. We urge the Committee to report the bill **Favorably**.

cc: Honorable Members of the House Economic Matters Committee

¹ See SB 659, <https://mgaleg.maryland.gov/2021RS/bills/hb/hb0659f.pdf>

(a) A dealer or an agent or employee of a dealer may not use any advertisement that is in any way false, deceptive, or misleading.

(b) A dealer or an agent or employee of a dealer may not by any means advertise or offer to the public any vehicle without intent to sell it as advertised or offered.