



Montgomery County

Office of Intergovernmental Relations

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HB 274

DATE: February 9, 2022

SPONSOR: Delegate Qi, *et al.*

ASSIGNED TO: Economic Matters

CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)

POSITION: Support (Office of Consumer Protection)

Vehicle Laws – Manufacturers and Dealers – Prices Listed on Dealer Website

This bill provides that a vehicle manufacturer, distributor, or factory branch may not prohibit a dealer from listing on the dealer's website a vehicle for sale or lease at a certain price, and may not take adverse action against a dealer for listing a certain price on its website.

Montgomery County's Office of Consumer Protection enforces the County's Consumer Protection Act in prohibiting deceptive trade practices and ensuring integrity in the marketplace. The Office receives and investigates automotive repair and sales complaints. As a result of our involvement in investigating and resolving these types of complaints, we are familiar with the interplay between auto dealers and manufacturers. It is our understanding that some car manufacturers have established Minimum Allowable Advertised Price rules that set a minimum price that dealers can list for a car model online, and that the manufacturers could punish dealers for listing prices on their websites contrary to these rules. To the extent that these rules prevent dealers from listing a valid price offer on their websites, consumers may be harmed by these constraints.

Both consumers and businesses are entitled to fair treatment in the marketplace. If dealers are not treated fairly by manufacturers, the effects may lead to consumers not being fairly treated as well. The Office of Consumer Protection believes that House Bill 274 may protect auto dealers against unfair action from auto manufacturers and respectfully requests that the House Economic Matters Committee give this bill a favorable report.