



March 5, 2024

The Honorable Will Smith
Chair, Senate Judicial Proceedings
Annapolis, Maryland 21401

**SB 968:
Vehicle Laws - Manufacturers and Dealers - Standing of Dealer Associations
Position: Unfavorable**

Chair Smith:

The Alliance for Automotive Innovation¹ (Auto Innovators) appreciates the opportunity to provide the following comments on SB 968 and to request an Unfavorable report.

We respectfully oppose SB 968 because the bill would upend fifty years of caselaw in the state on associational standing to providing a “special” litigant status to motor vehicle dealer associations that is provided to no other trade organization in the state. There is simply no need to take such drastic action when the substantial remedies already available under the Act provide more than enough inducement for motor vehicle dealers to enforce its provisions.

The concept of “associational standing” has been recognized and well-settled in Maryland for many years. In essence, Maryland law allows a group or association to bring litigation for damages or judicial review on behalf of its members in those cases where the association itself has an aggrieved property interest that is “separate and distinct from [the Association’s] members.” (*Medical Waste Associates, Inc. v. Medical Waste Coalition, Inc.*, 612 A.2d 241 (Md. 1992)). This ensures that associations can bring appropriate litigation where their involvement is necessary as an aggrieved party, but not where its individual members would serve as the more appropriate plaintiff. There is no reason why the existing law – applicable to every trade association that exists in Maryland – should be revised to add a specific exclusion solely for a Maryland automobile dealer association, especially where the current language of the Maryland Code already provides more than adequate remedies for motor vehicle dealers to redress any grievances they may have with a motor vehicle manufacturer.

The statute that would be amended by this bill (Transportation § 15-213) already allows **any** person who “suffers financial injury or other damage” resulting from violations of its entire subtitle to “recover damages and reasonable attorneys’ fees in any court of competent jurisdiction.” Given the ability to recover attorneys’ fees in addition to damages, any dealer, individual, or other party injured by a violation of the Act already has sufficient inducement to enforce its provisions. The Act also

¹ From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future.
www.autosinnovate.org.

specifically permits the Maryland Motor Vehicle Administration to fine a licensee for any violation and to compensate a person for any financial injury or other damages (Transportation § 15-212). There is no need to add another layer of litigation on top of this by allowing an automobile dealer association to sue on behalf of “itself, a dealer or a group of dealers.” Notably, the bill would also allow a dealer association to “recover damages,” even when suing on behalf of a dealer or a group of dealers. It is not clear if these damages are in addition to damages the dealer or group of dealers could recover themselves, or if the association would be required to pay the amounts to such dealer(s). By allowing multiple parties the option to recover the same damages, this bill is likely to lead to further confusion and litigation instead of allowing for the streamlining of dealer-manufacturer disputes, as the Act envisions.

Put simply, the Alliance of Automotive Innovation strongly opposes SB 968, as the bill reflects a solution in search of a problem and lays the groundwork for a flood of similar “carve out” requests from any and all industries with trade associations in Maryland. Auto Innovators hopes this committee will protect the integrity of existing statutes and judicial precedent and report SB 968 unfavorably.

Thank you for your consideration of our position. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher". The signature is written in a cursive, slightly slanted style.

Josh Fisher
Senior Director
Alliance for Automotive Innovation