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THE VOICE OF THE
INNOVATION ECONOMY

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March 5, 2024

The Honorable William Smith, Jr.
Chair
Senate Judicial Proceedings Committee
Maryland Senate
2 East
Miller Senate Office Building
Annapolis, MD 21401

*RE: SB 968 – (Waldstreicher) - Vehicle Laws - Manufacturers and Dealers -
Standing of Dealer Associations.*

Dear Chair Smith and Members of the Committee,

On behalf of TechNet, I'm writing to offer comments on SB 968 related to the standing of dealer associations.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.2 million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

TechNet is vigilant against vague, overbroad, unnecessary, harmful, or hostile laws and regulations that stifle innovation. The requirements outlined in SB 968 are concerning and TechNet and its members are opposed to the bill for several reasons.

As drafted, SB 968 permits dealer associations to use standing to sue to stop policies of automakers they may not align with. Trade associations are currently able to file lawsuits on behalf of their members, as per *Hunt v. Washington State Apple Advertising Commission*. However, SB 968 would remove the requirement for associations to prove standing under *Hunt*, leading to unfair business practices. For example, SB 968 would allow associations to collect damages even though its members were the ones harmed, not the association.

Furthermore, this bill lacks transparency as Maryland's dealer associations could sue manufacturers on behalf of dealers whose identities would be unknown. Additionally, this bill could lead to costly litigation for manufacturers, dealer associations, and dealers, ultimately negatively impacting the consumer who may experience higher prices due to the costs of litigation.

TechNet seeks to encourage, enable, and advance American leadership in innovation. For the reasons stated above, TechNet is opposed to SB 968. Thank you for your consideration and please don't hesitate to reach out should you have any questions.

Sincerely,

Margaret Durkin

Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic