



February 9, 2026

The Honorable Kriselda Valderrama
Chair, House Economic Matters Committee
House Office Building
Annapolis, Maryland 21401

HB 306: Vehicle Laws - Manufacturers and Dealers – Prices Listed on Dealer Websites
Position: Unfavorable

Chair Valderrama:

The Alliance for Automotive Innovation (Auto Innovators¹) is writing to request an Unfavorable report on HB 306, which seeks to regulate automobile advertising. HB 306 prohibits automakers from taking “adverse action” against dealers that disclose on their website that their selling price may be different than the manufacturer’s minimum advertised price posted on the dealer’s website. Auto Innovators opposes the bill because it harms state and regional marketing programs.

Harms Regional Advertising Associations

Manufacturers and dealers often have regional advertising associations in which the manufacturer and the local dealers pool their advertising dollars to buy advertising that benefits all of them. For example, commercials that say, “See your Baltimore area dealer for....” That avoids a problem where individual dealers would shoulder the advertising burden alone, and it allows consumers to receive information that is useful for their purchasing decisions.

If manufacturers are contributing money to advertising, then it is reasonable that manufacturers be able to condition how their money is spent, e.g. a minimum advertised price requirement. Minimum advertised prices are not necessarily final prices. Marketers can design them to leave room for dealers and customers to negotiate, as is customary and expected in automobile purchasing. Minimum advertised prices also help manufacturers to help all dealers in a market without advantaging one over the other, which manufacturers do not want to do.

A key part of advertising to consumers is dealer websites. If a regional advertising agreement includes a minimum advertised pricing feature on a website, but a dealer chooses to confuse that with a statement that it may offer a lower price, then that diminishes the benefit of the bargain for manufacturers and other dealers who contributed to the advertising campaign.

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.

Advertising is expensive. Manufacturers are willing to help dealers advertise through regional advertising. But the effectiveness of that advertising will be harmed if dealers can undermine the ads by ignoring rules that they do not like.

HB 306 could make regional advertising more difficult to deploy and cause it to contain less useful information to attract consumers. The Alliance for Automotive Innovation respectfully asks the committee to issue an Unfavorable report. 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 style with a prominent loop at the end of the last name.

Josh Fisher
Senior Director, State Affairs
Alliance for Automotive Innovation