



## TESTIMONY REGARDING MD SB 345

Dear Chair Smith, Vice-Chair Waldstreicher, and Members of the Committee:

Thank you for the opportunity to provide feedback on SB 345 related to Vehicle Manufacturers and Dealers – Dealer Associations – Administrative Hearings. Tesla's direct-to-consumer sales model empowers customers by offering transparent, consistent pricing and ensuring a seamless and personalized purchasing experience that prioritizes convenience, reliability, and direct engagement. We recognize the bill's intent is not to expand standing beyond traditional stakeholders and fully support efforts to streamline dispute resolution between dealers and franchisors. To ensure the final language of SB 345 remains narrowly tailored and avoids unintended consequences, we respectfully propose the following refinements:

1. **Clarification of Existing Rights:** To prevent administrative court congestion or misuse, we propose adding language clarifying this provision does not create new substantive rights but merely preserves existing pathways for dispute resolution: "Nothing in this section shall be construed to create new substantive rights beyond those established in this subtitle."
2. **Franchisee Presence Requirement:** Given the lack of explicit definition for "franchised dealer" in current law, we propose revising Section 15-214(B):
  - a. SUBSECTION (A)(1) OF THIS SECTION DOES NOT APPLY TO A DISPUTE INVOLVING A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH THAT DOES NOT HAVE AT LEAST ONE THIRD PARTY/UNRELATED FRANCHISED DEALER IN THIS STATE; OR
  - b. SUBSECTION (A)(1) OF THIS SECTION DOES NOT APPLY TO A DISPUTE INVOLVING A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH THAT DOES NOT HAVE AT LEAST ONE FRANCHISEE AGREEMENT WITH A DEALER IN THIS STATE; OR
  - c. SUBSECTION (A)(1) OF THIS SECTION DOES NOT APPLY TO A DISPUTE INVOLVING A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH THAT DOES NOT HAVE AT LEAST ONE FRANCHISEE AGREEMENT WITH A THIRD PARTY/UNRELATED DEALER IN THIS STATE.

Tesla appreciates the committee's focus on fairness and efficiency in dealer-manufacturer relationships. We look forward to working with the bill's sponsor and proponents on these amendments and to ensure you achieve the bill's intended purpose. Thank you for the opportunity to comment on SB 345.

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