

2026.2.9 Testimony in Support of SB297.pdf

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Position: FAV

Testimony in Support of SB 297

SB 297 – Vehicle Laws – Manufacturers and Dealers – Prices Listed on Dealer Websites Judicial Proceedings Committee

Position: Favorable

Senator Will Smith
Senator Jeff Waldstreicher
2 East Miller Senate Office Building
2 East Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Dear Chairman Smith, Vice Chair Waldstreicher and Committee Members,

My name is Rob Smith, and I am the President of Fitzgerald Auto Malls. We are a Maryland-based, employee-owned auto retailer with over 1,300 Maryland employees and their families depending on our ability to compete fairly and serve customers honestly.

I am here today in support of SB 297 because this bill is fundamentally about consumer transparency in the modern marketplace.

The cyber showroom is now the showroom

For today's car buyer, the dealer website is not advertising—it is the showroom. Consumers now do the overwhelming majority of their shopping online before they ever set foot on a dealership. Many will physically visit **only one showroom**, often after making nearly all of their decisions based on what they see on the internet.

In that environment, **the price a consumer sees online is the most important price in the entire transaction**. It sets expectations, determines which dealer they visit, and shapes whether they trust the process at all.

MAAP rules distort what consumers see

Under manufacturer Minimum Allowable Advertised Price—or MAAP—rules, dealers are prohibited from displaying the true selling price of a vehicle on their websites. In many cases, we are required to post prices that are **higher than what we are actually willing to sell the vehicle for**.

Worse, we are not even allowed to tell the public that this higher price exists because of a manufacturer rule. Dealers can be punished simply for explaining that an advertised price is a manufacturer-mandated MAAP price.

The result is that consumers are shown prices online that are **artificial, incomplete, and often misleading**, even though the dealer may be fully prepared to sell the vehicle for less.

“Just tell them one-on-one” no longer reflects reality

Manufacturers will often say that dealers are free to disclose real prices in one-on-one communications. But that argument ignores how consumers actually behave today.

More and more consumers are unwilling to give up personal information—email addresses, phone numbers, lead forms—just to learn the truth about price. They want transparency **before** they engage, not after they surrender their privacy.

Ironically, in a physical showroom, we are allowed to put **any real price we are willing to sell a car for directly on the windshield**. But in the cyber showroom—where consumers actually shop—we are prohibited from doing the same.

Retaliation raises costs and reduces competition

When dealers violate MAAP rules—or even acknowledge them—manufacturers can reduce or eliminate marketing assistance and cooperative advertising support. That financial retaliation raises a dealer’s cost structure.

Dealers who lose that support pay more to sell the same vehicle than their competitors. Over time, that distortion reduces competition and ultimately **raises prices for consumers**, even though none of this behavior improves the product or the buying experience.

What SB 297 does & Doesn’t DO

SB 297 is a **modest, balanced bill**.

It does **not**:

- set prices,
- force dealers to advertise lower prices,
- prohibit MAAP programs,
- or require any dealer to change how they do business.

Dealers who prefer MAAP pricing can continue to use it. Dealers who prefer higher advertised prices can continue to do that as well.

SB 297 simply says that a manufacturer may not punish a dealer for **truthfully disclosing** that an advertised price is a manufacturer-mandated MAAP price and that a lower price may be available.

That is all.

Why this matters

This bill modernizes Maryland law to reflect how consumers actually shop today. It restores honesty to the place where consumers make decisions. And it does so without picking winners, losers, or price levels.

SB 297 is a reasonable, consumer-focused step that promotes transparency, competition, and trust in the digital marketplace.

For those reasons, I respectfully urge a favorable report on Senate Bill 297.

Thank you.

Rob Smith
President
Fitzgerald Auto Malls

SB297 Questions and Answers.pdf

Uploaded by: Rob Smith

Position: FAV

SB 297 – Consumer Price Transparency: Questions & Answers
House Bill 306 – Vehicle Laws – Manufacturers and Dealers – Prices Listed on Dealer Websites

What is SB 297 about?

SB 297 is about consumer transparency in online vehicle pricing. It ensures that dealers are not punished by manufacturers for truthfully disclosing when an advertised price is affected by a manufacturer's Minimum Allowable Advertised Price (MAAP) rule and that a lower price may be available.

Why is this issue important now?

The way consumers shop for vehicles has changed. For most buyers, the dealer website is the primary showroom. Online pricing determines which dealer a consumer visits and whether they trust the process. Laws governing vehicle advertising should reflect how consumers actually shop today.

What is MAAP pricing?

MAAP, or Minimum Allowable Advertised Price, is a manufacturer policy that limits what price a dealer may display in advertising, including on dealer websites. While dealers may be willing to sell a vehicle for less, MAAP rules can require a higher price to be displayed online.

How does this affect consumers?

Consumers may see prices online that are higher than what the dealer is actually willing to accept. In many cases, dealers are also prohibited from explaining that the higher price exists because of a manufacturer rule. This creates confusion and undermines trust at the start of the buying process.

Can't dealers just disclose the real price directly to customers?

Manufacturers often say dealers can disclose prices one-on-one. However, many consumers today are unwilling to provide personal information or submit lead forms simply to learn the true price of a vehicle. Consumers increasingly expect transparency before engagement, not after.

Are dealers allowed to show real prices in physical showrooms?

Yes. Dealers may display any real selling price they choose on a vehicle's windshield in a physical showroom. However, manufacturer MAAP rules often prohibit dealers from displaying or explaining those same prices online, even though the internet is where most consumers shop.

Does SB 297 force dealers to advertise lower prices?

No. SB 297 does not set prices and does not require any dealer to advertise lower prices.

Dealers who prefer to continue advertising MAAP pricing or higher prices may do so without any change.

Does SB 297 prohibit manufacturers from using MAAP programs?

No. Manufacturers may continue to use MAAP or similar pricing programs. SB 297 does not interfere with those programs; it simply prevents manufacturers from retaliating against dealers for truthful disclosure to consumers.

Could this bill lead to misleading or bait-and-switch advertising?

No. Existing Maryland law already prohibits false, deceptive, or misleading advertising. SB 297 does not weaken those protections. It allows only truthful disclosure explaining why an advertised price may not reflect the dealer's actual selling price.

How do manufacturers enforce MAAP rules today?

Manufacturers often enforce MAAP rules by reducing or eliminating marketing assistance or cooperative advertising funds for dealers who do not comply. This enforcement mechanism can significantly impact a dealer's cost structure.

How does that enforcement impact competition and prices?

Dealers who lose manufacturer support face higher costs than competitors selling the same vehicles. Over time, this distorts competition and can result in higher prices for consumers, even though no additional value is created.

Is SB 297 taking sides between dealers and manufacturers?

No. SB 297 is consumer-focused. It does not regulate contracts or pricing decisions. It simply ensures that consumers are not prevented from receiving truthful information in the primary marketplace where vehicle purchasing decisions are made.

Why is SB 297 considered a balanced approach?

SB 297 does not mandate disclosure; it permits it. Dealers may choose whether to use this disclosure. Manufacturers may continue their pricing programs. The bill strikes a reasonable balance between transparency and existing business practices.

What is the goal of SB 297?

The goal is to modernize Maryland law to reflect current consumer behavior, restore honesty to online vehicle pricing, and promote informed decision-making in the digital marketplace.

Conclusion

SB 297 is a modest, reasonable update that promotes transparency and trust without setting prices or altering existing advertising laws. It allows consumers to better understand the prices they see online and supports fair competition in today's marketplace.

Maryland SB 297 - MAP - Unfavorable.pdf

Uploaded by: Joshua Fisher

Position: UNF



February 10, 2026

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

SB 297: Vehicle Laws - Manufacturers and Dealers – Prices Listed on Dealer Websites
Position: Unfavorable

Chair Smith:

The Alliance for Automotive Innovation (Auto Innovators¹) is writing to request an Unfavorable report on SB 297, which seeks to regulate automobile advertising. SB 297 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.

SB 297 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, slightly slanted style.

Josh Fisher
Senior Director, State Affairs
Alliance for Automotive Innovation