

sb 345 testimony.pdf

Uploaded by: J Peter Kitzmiller

Position: FAV

Senate Bill 345 — Dealer Association Standing

Position: FAVORABLE

Chair, Vice Chair, and Members of the Committee:

My name is **J. Peter Kitzmiller**, and I serve as President of the Maryland Automobile Dealers Association, representing franchised new car and truck dealers across the State of Maryland. Thank you for the opportunity to submit written testimony in support of Senate Bill 345.

This legislation addresses a fundamental principle of sound public policy:

Laws are only effective when they can be realistically enforced.

Maryland has developed a comprehensive framework of motor vehicle franchise laws over many decades. These statutes are designed to protect local small businesses, preserve fair competition in the vehicle marketplace, and ensure consumers have access to a reliable, statewide sales and service network. However, a significant enforcement gap currently undermines those protections.

Although individual dealers technically have the right to challenge unlawful manufacturer practices, that remedy is often impractical in the real world. Manufacturers control key aspects of a dealer's business operations, including vehicle allocation, incentive programs, facility approvals, and access to products and programs. A dealer who brings a legal challenge risks economic consequences that can jeopardize the viability of their business and the jobs they provide in their communities. As a result, violations of state franchise law frequently go unchallenged — not because the conduct is lawful, but because enforcement is too risky for one small business acting alone.

Senate Bill 345 provides a practical and balanced solution to this structural problem.

The bill does **not** create new dealer rights, expand existing franchise protections, or authorize claims for monetary damages. It does **not** involve private contract disputes between a manufacturer and a dealer. Instead, it allows a recognized dealer association to seek **declaratory or injunctive relief** when a manufacturer engages in a practice that violates Maryland franchise law and affects dealers broadly.

This approach offers several important benefits:

First, it protects small businesses from retaliation. Allowing an association to bring an action removes the pressure on any one dealer to assume the economic risk of challenging a manufacturer.

Second, it promotes judicial efficiency. Rather than multiple lawsuits raising the same legal issue, one association action can resolve a matter affecting many dealers, leading to consistent rulings and more efficient use of court resources.

Third, it mirrors well-established principles of associational standing used in other regulated industries, where trade associations are permitted to seek prospective relief on issues of broad statutory compliance.

Fourth, it helps protect consumers. Maryland's franchise system supports a strong local sales and service network, competitive pricing, effective recall performance, and local accountability.

Ensuring that franchise laws can be enforced helps preserve those consumer benefits.

Senate Bill 345 is not a policy expansion. It is an enforcement mechanism designed to ensure that the franchise laws enacted by the General Assembly can function as intended in practice.

For these reasons, we respectfully urge a **favorable report** on Senate Bill 345.

Respectfully submitted,

J. Peter Kitzmiller

President

Maryland Automobile Dealers Association

Tesla Testimony MD SB 345_2026FIN.pdf

Uploaded by: Jasmine Vasquez

Position: FWA



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.

Jasmine Vasquez
Staff Policy Advisor, Public Policy & Business Development

Maryland SB 345 - Standing - Unfavorable.pdf

Uploaded by: Joshua Fisher

Position: UNF



February 10, 2026

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

**SB 345: Vehicle Manufacturers and Dealers – Dealer Associations – Administrative Hearings
Position: Unfavorable**

Chair Smith:

The Alliance for Automotive Innovation¹ (Auto Innovators) appreciates the opportunity to provide the following comments on SB 345 and to request an Unfavorable report.

We respectfully oppose SB 345 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 345, 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 345 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 style with a prominent flourish at the end.

Josh Fisher
Senior Director
Alliance for Automotive Innovation