

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1361
Economic Matters

(Delegates Stein and Cardin)

Vehicle Laws - Advertising Practices - Prohibited Acts

This bill prohibits a vehicle dealer, dealer agent, or dealer employee from stating in any advertisement a selling price amount that represents the balance that would be owed after deduction of a down payment, trade-in allowance, or other allowance. Violations of the bill's provisions are subject to the existing penalties for false, deceptive, or misleading vehicle advertising practices.

Fiscal Summary

State Effect: Potential minimal increase in Transportation Trust Fund revenues due to the bill's imposition of existing penalty provisions. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

Local Effect: The bill would not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: Title 15 of the Transportation Article sets forth a number of laws governing businesses and occupations related to vehicles and vehicle sales. Vehicle dealers are prohibited from engaging in a number of specific advertising activities including • advertising in any way that is false, deceptive, or misleading; • advertising vehicles without intent to sell as advertised; and • placing an insignia, logo, or other plate on a vehicle that advertises the name of the dealer, without the consent of the buyer.

Violation of these provisions is punishable by refusal, suspension, or revocation of a dealer's license, as well as a fine of up to \$1,000 per violation.

The Maryland Department of Transportation currently enforces through regulation the prohibitions that would be codified by the bill (COMAR 11.12.01.14(F)).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Office of the Attorney General (Consumer Protection); Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2008
mcp/ljm

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