

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 547

(Delegate Stein, *et al.*)

Environmental Matters

Judicial Proceedings

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Vehicle Laws - Advertising Practices - Prohibited Acts

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This bill requires the advertised purchase price for a vehicle to be the full delivered price of the vehicle excluding only taxes, title fees, and freight or dealer processing charges, and be printed in the largest font relating to price used in the advertisement. The bill also repeals the existing presumption that an advertisement that complies with Federal Trade Commission law is not false, deceptive, or misleading.

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Fiscal Summary

**State Effect:** Potential minimal increase in Transportation Trust Fund (TTF) and general 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 can be handled with existing resources.

**Local Effect:** Potential minimal increase in expenditures due to the imposition of existing penalty provisions.

**Small Business Effect:** Potential minimal adverse impact on small business dealers to revise advertising practices or for additional legal services to the extent a dealer was previously relying on Federal Trade Commission law.

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Analysis

**Current Law/Background:** Vehicle dealers are prohibited from engaging in a number of specific advertising activities including (1) advertising in any way that is false, deceptive, or misleading; (2) advertising vehicles without intent to sell as advertised; and (3) 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, a fine of up to \$1,000 per violation, and is a misdemeanor with a fine of up to \$500 and/or imprisonment for up to two months or both.

Maryland Department of Transportation regulations address the advertised price of vehicles (COMAR 11.12.01.14). In addition, the regulations require dealer advertising to comply with the Federal Trade Commission Act, and certain regulations under the federal Truth in Lending Act, which promote the informed use of consumer credit by requiring disclosures about its terms and costs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 859 (Senator Pugh) - Judicial Proceedings.

**Information Source(s):** Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2009  
ncs/ljm Revised - House Third Reader - March 27, 2009

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Analysis by: Evan M. Isaacson

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510