



Maryland Consumer Rights Coalition

**Testimony to the House Economic Matters Committee
HB139: Consumer Protection - Electronic Transactions - Sale of Vehicle
Position: Favorable With Amendments**

February 12, 2020

Delegate Dereck Davis, Chair
Economic Matters Committee
Room 231 House Office Building
Annapolis, Maryland 21401

Cc: Members, Economic Matters Committee

Honorable Chairman Davis and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I write today in favor of HB 139 with the sponsor amendment and another proposed amendment.

MCRC works with a number of private consumer attorneys in Maryland. We convene meetings with consumer attorneys and the Maryland Vehicle Administration to coordinate, collaborate, and share concerns. A number of attorneys have raised the issue of electronic contracts as a concern. Consumers who have sought counsel because of potential fraud, deceptive practices, or false advertising faced challenges because they signed electronic contracts and didn't have a copy of the contract. If they did have a copy of the contract, they rarely had one signed by both the customer and the dealer (having a signed copy from both parties is needed to enforce the deal, should a dealer renege for some reason).

We support HB 139 with the amendments offered by the Office of the Attorney General and we recommend one additional amendment. To ensure enforceability of the contract, MCRC



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recommends the following amendment:

A CONSUMER SHALL BE DEEMED NOT TO HAVE AGREED TO ENTER INTO A TRANSACTION FOR THE SALE OR LEASE OF A VEHICLE WITH A DEALER BY ELECTRONIC MEANS UNLESS THE DEALER PROVIDES A CONSUMER WITH:

A CLEAR AND READABLE COPY OF EACH DOCUMENT SIGNED BY THE CONSUMER **and the dealer** IN AN ELECTRONIC OR WRITTEN FORMAT; AND

With the addition of these two amendments, MCRC supports HB 139 and urges a favorable report.

Best,

Marceline White
Executive Director