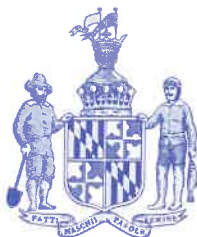


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March 4, 2020

TO: The Honorable Dereck E. Davis, Chair  
Economic Matters Committee

FROM: Steven M. Sakamoto-Wengel   
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: House Bill 212 – Vehicle Laws – Manufacturers and Dealers –  
Advertisements -- SUPPORT WITH AMENDMENTS

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The Consumer Protection Division of the Office of the Attorney General supports House Bill 212, sponsored by Delegates Qi, Brooks, Charkoudian, Charles, Crosby, Fennell, R. Lewis, Rogers, Shetty, Valderrama and C. Watson, with the amendments discussed below. House Bill 212 would bar an automobile manufacturer, distributor or factory branch from prohibiting an automobile dealer from advertising a vehicle at the “purchase price.” “Purchase price” is defined in the bill as the “full delivered price of a vehicle, excluding only taxes, title fees, and any freight or dealer processing charge disclosed in accordance with § 15-311.1 of [the Transportation Article].” The Division understands that House Bill 212 is intended to ensure that accurate price information is available to consumers.

The Division, however, is concerned that the bill could undermine a manufacturer’s requirement that a dealer’s advertised price be more accurate by, for example, requiring the advertised price to *include* the freight or dealer processing charge. House Bill 212 would make it illegal for a manufacturer to impose such a requirement upon a dealer so that the advertised price better reflected the true “full delivered price.”

The Division believes the following amendments to the bill, which the bill’s proponents have agreed to accept and which were adopted in the Senate, would address our concerns:

On page 2, line 31, after “(3)”, insert “(A)”; and on page 3, after line 2, insert:

**“(B) NOTHING IN THIS SECTION PROHIBITS A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH FROM REQUIRING ALL DEALERS TO INCLUDE FREIGHT OR DEALER PROCESSING CHARGES IN THEIR ADVERTISEMENTS OF THE PURCHASE PRICE.”**

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The Honorable Dereck E. Davis  
House Bill 212  
March 4, 2020  
Page Two

Consequently, the Consumer Protection Division requests that the Judicial Proceedings Committee give House Bill 212 a favorable report with the amendments discussed.

cc: The Honorable Lily Qi  
The Honorable Benjamin Brooks  
The Honorable Lorig Charkoudian  
The Honorable Nick Charles  
The Honorable Brian Crosby  
The Honorable Diana Fennell  
The Honorable Robbyn Lewis  
The Honorable Mike Rogers  
The Honorable Emily Shetty  
The Honorable Kriselda Valderrama  
The Honorable Courtney Watson  
Members, Economic Matters Committee