



DATE: February 21, 2020

TO: Senate Judicial Proceedings Committee

FROM: Peter Kitzmiller (President)
Travis Martz (General Counsel)

RE: SB 566 (Senator Washington)

POSITION: SUPPORT

The Maryland Automobile Dealers Association (MADA) represents over 300 franchised new car and truck dealers, and their 24,000 employees. We strongly support SB 566.

The Maryland State Police has created one of the best used vehicle safety inspection programs in the country, but this is only required when vehicle ownership is transferred. As the average price tag on new vehicles is approaching \$40,000.00, the average lifespan of a used vehicle is at an all-time high – roughly 11.8 years. Therefore, it is a public safety necessity to require additional inspections as our Maryland vehicle fleet ages.

Virginia, Pennsylvania and West Virginia has either an annual or bi-annual inspection. Maryland franchised dealers constantly praise the condition of those states vehicles as opposed to Maryland ones when accepting trade-ins. The reason is the existence of a regular safety inspection. Because of the robust initial state inspection required on used vehicles, used vehicles sold by Maryland dealers tend to be more expensive than our surrounding states. Additional inspections during the lifespan of a vehicle will decrease the dealer work required when they transfer the vehicle again resulting in a used car price decrease.

Maryland dealers consistently comment on how they advise customers about issues that wouldn't pass a basic inspection, and customers decline the work. Maryland needs to strengthen public safety by adding another inspection layer that is not unduly burdensome.

MADA respectfully asks the Senate Judicial Proceedings Committee to give SB 566 a favorable report.