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TO: The Honorable William C. Smith, Jr., Chair
Judicial Proceedings Committee

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

RE: Senate Bill 208 – Vehicle Laws – Manufacturers and Dealer – Prices
Listed on Dealer Websites -- SUPPORT

The Consumer Protection Division of the Office of the Attorney General supports Senate Bill 208, sponsored by Senators Hough, Ready, and Waldstreicher. Senate Bill 208 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 Senate Bill 208 is intended to ensure that accurate price information is available to consumers.

We understand that some car manufacturers have established Minimum Allowable Advertised Price rules that establish a minimum price that dealers can list for a car model online that is often \$1,500 or more greater than the actual price at which the dealership is willing to sell the vehicle. This practice limits the price competition that can help car buyers get a good deal. The Division believes that Senate Bill 208 would solve the problem by prohibiting manufacturers from punishing dealers for listing a valid price offer on their websites. The bill does nothing to prevent a manufacturer from requiring that dealers provide truthful price advertising.

Consequently, the Consumer Protection Division requests that the Judicial Proceedings Committee give Senate Bill 208 a favorable report.

cc: The Honorable Michael Hough
The Honorable Justin Ready
The Honorable Jeff Waldstreicher
Members, Judicial Proceedings Committee