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TO: The Honorable Kumar Barve, Chair
Environment and Transportation Committee

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

RE: House Bill 679 – Vehicle Laws – Licensing of Businesses and
Occupations – Definition of Vehicle Salesman (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 679 sponsored by Delegates Stein, Foley and Fraser-Hidalgo. House Bill 679 would require individuals involved in the automobile sales process with respect to add-on financial security, insurance, or warranty products to be licensed as automobile salespeople by the Motor Vehicle Administration. The Division believes such licensing will help Maryland consumers by reducing abusive and deceptive practices in the sale of these products.

Automobile sales are consistently among the top complaints received each year, including a significant number of complaints about add-on products such as extended warranties and debt cancellation agreements being added to the consumer's sales contract either without adequate disclosure that the product is being sold and misrepresentations about the terms of or need for the product or the cost of the product. These products are often sold by individuals affiliated with the auto dealer who are not licensed vehicle salespeople after the terms of the automobile sale have been negotiated. Requiring the individuals selling these products to be licensed would help the MVA address the deceptive and abusive practices associated with the sale of these add-on products.

Accordingly, the Consumer Protection Division requests that the Environment and Transportation Committee give House Bill 679 a favorable report.

cc: The Honorable Dana Stein
The Honorable Linda Foley
The Honorable David Fraser-Hidalgo
Members, Environment and Transportation Committee