

Stein Testimony HB 679.pdf

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Position: FAV

DANA M. STEIN
Legislative District 11
Baltimore County

—
Vice Chair
Environment and Transportation
Committee

Subcommittees
Chair, Environment
Natural Resources,
Agriculture and Open Space



The Maryland House of Delegates
6 Bladen Street, Room 251
Annapolis, Maryland 21401
410-841-3527 · 301-858-3527
800-492-7122 Ext. 3527
Fax 410-841-3509 · 301-858-3509
Dana.Stein@house.state.md.us

The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

**Delegate Dana Stein Testimony in Support of HB 679 –
Vehicle Laws-Licensing of Business and Occupations –
Definition of Vehicle Salesman**

Chairman Barve and Members of the Environment and Transportation Committee:

HB 679 is a consumer-protection bill that requires any individual selling a finance, insurance, or warranty product on behalf of a dealer to be licensed by the MVA. Under the current law, the MVA only licenses dealers and the salespersons who sell vehicles for the dealers. This bill will require that finance employees meet the same licensing criteria as dealers and vehicle salespersons.

The licensing criteria under the law requires applicants to be actual employees of the dealership and submit to a background check.

Over half of all states require licensing of dealership finance employees, including Virginia. The language in this bill is modeled after Virginia's current law.

HB 679 - Vehicle Sales Licensing - CPD - Support.p

Uploaded by: Steven M. Sakamoto-Wengel

Position: FAV

BRIAN E. FROSH
Attorney General

WILLIAM D. GRUHN
Chief
Consumer Protection Division

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Fax No.

Writer's Direct Dial No.
(410) 576-6307

February 17, 2022

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

HB 679 - MADA Testimony - Favorable.pdf

Uploaded by: Travis Martz

Position: FAV



DATE: February 17, 2022
TO: House Environment and Transportation Committee
FROM: Travis Martz (General Counsel)
RE: HB 679 (Delegate Stein et al)

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 HB 679.

Under current law, the Motor Vehicle Administration (“MVA”) licenses dealership owners and dealership salespersons. In order to obtain a license, an applicant must get finger printed and submit to a comprehensive background check. The MVA will approve each license request upon satisfaction with the background check results. Further, each licensee must renew their license every three years with a new background check.

HB 679 includes dealership employees that sell finance, insurance and warranty products to the mandatory licensing requirements. Many dealerships currently license these employees, but it’s not mandatory. Roughly half of the other states currently license these dealership salespersons – including Virginia.

HB 679 is a consumer protection bill that ensures dealership customers are working with licensed salespersons even if they are not meeting with the salesperson face to face at a dealership location.

MADA respectfully asks the House Environment and Transportation Committee to give HB 679 an favorable report.