

# **Stein Senate Testimony HB 679.pdf**

Uploaded by: Dana Stein

Position: FAV

DANA M. STEIN  
*Legislative District 11*  
Baltimore County

—  
*Vice Chair*  
Environment and Transportation  
Committee

*Subcommittees*  
Chair, Environment  
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*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 Smith and Members of the Judicial Proceedings Committee:

HB 679 is a consumer-protection bill that requires any individual selling products 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. But, there are many additional employees at dealerships who provide sales functions without a license, such as finance, insurance, and warranty products. Without a licensing requirement consumers have been subject to abusive and deceptive practices by salespeople who have not undergone the same type of background checks as dealers and vehicle salespersons. This bill will require that these other sales employees meet all 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. Licenses must be renewed every 3 years with a new 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.

I ask you support for HB 679

# **HB 679 - Vehicle Sales Licensing - CPD - Support -**

Uploaded by: Steven Sakamoto-Wengel

Position: FAV

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**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

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March 23, 2022

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

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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 Judicial Proceedings Committee give House Bill 679 a favorable report.

cc: The Honorable Dana Stein  
The Honorable Linda Foley  
The Honorable David Fraser-Hidalgo  
Members, Judicial Proceedings Committee

# **HB 679 - MADA Favorable Testimony - Senate.pdf**

Uploaded by: Travis Martz

Position: FAV



DATE: March 23, 2022  
TO: Senate Judicial Proceedings 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 Senate Judicial Proceedings Committee to give HB 679 a favorable report.**