



**Testimony to the House Economic Matters Committee
HB1208: Vehicle Laws – Manufacturers – Dealer Compensation
Position: Favorable**

March 8, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing in support of HB1208. This bill would require fairer compensation from manufacturers to dealers for warranty repairs and prohibit car makers from imposing extra fees or surcharges on dealers for warranty work.

When manufacturers reimburse dealers at a poor rate for warranty repairs, dealers are less incentivised to do warranty work for consumers. This often means dealers will pass-up or wait to do needed repairs. Others may refer customers to more consumer-facing dealerships that are more willing to do the work. Preventing manufacturers from imposing extra fees or surcharges on dealers for performing warranty work will not only protect dealers against unfair treatment, but help drivers get access to the repairs they need to keep their cars working safely and properly.

For these reasons we support HB1208 and urge a favorable report.

Respectfully,

Isadora Stern
Policy Manager