



February 28, 2023

The Honorable William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
Senate Office Building
Annapolis, Maryland 21401

**SB 742: Vehicle Laws - Manufacturers and Dealers - Allocation of Vehicles
Position: Unfavorable**

Dear Chair Smith:

The Alliance for Automotive Innovation opposes SB 742, which unnecessarily creates a presumption that a vehicle manufacturer is assumed to have violated Maryland law. From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy.

Automakers and dealers rely on each other for success. Typically, as issues arise, we seek to address dealer concerns short of legislation. This same legislation was introduced last session and rightfully rejected by the General Assembly. The proponents of this bill have not approached us following last session to discuss their concerns and attempt to address this issue.

Increased Litigation

SB 742 raises due process concerns with the final paragraph that essentially says a manufacturer is presumed to have violated the law based on nothing other than a dealer allegation without support. This provision will open the door to nuisance lawsuits from dealers that appears specifically designed for dealers to abuse the discovery process to seek information from automakers. We fail to see the corresponding public policy goal of this provision.

The Alliance for Automotive Innovation respectfully asks the members of the Committee to report the bill unfavorable. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher".

Josh Fisher
Senior Director, State Affairs
Alliance for Automotive Innovation

1050 K Street, NW
Suite 650
Washington, DC 20001

AutosInnovate.org