



**Auto Consumer Alliance**  
13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

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**Testimony to the House Economic Matters Committee**  
**HB 695 – Consumer Protection – Notice to Consumers by Manufacturers and**  
**Dealers of Motor Vehicles --**  
**Position: Favorable**

The Honorable C.T. Wilson  
House Economic Matters Committee  
251 Lowe House Office Building  
Annapolis, MD 21401  
cc: Members, House Economic Matters Committee

Feb. 20, 2024

**Honorable Chair Wilson and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works to protect Maryland consumers and secure safety, transparency, and fair treatment for Maryland drivers and car buyers.

Consumer Auto supports **HB 695** because it will help consumers shopping for a used car get access to important information about the safety and durability of the increasingly expensive vehicles they're considering buying.

Most consumers today know that many vehicles are subject to recalls for safety issues – and many know that they should check for outstanding recalls and review the vehicle's history before buying a used vehicle. But few know that manufacturers send dealers numerous other communications about issues that impact the safety, reliability and durability of their vehicles. These may be called "technical service bulletins" or "service campaigns" or "warranty extensions," or other things. They address problems that have not yet – and may never – become recalls but often cause significant safety hazards as well as threats to the enduring value and usefulness of the vehicle.<sup>1</sup>

In an infamous case, Chevrolet continued years to sell several million cars with a deadly defect in their ignition switch for years after it began issuing service bulletins notifying dealers about the problem. The first service bulletin was issued in 2005. But this information was not made public until the cars were finally recalled in 2014.<sup>2</sup> About 124 people were killed and 275 sustained serious injuries as a result of this defect<sup>3</sup> – and many of those tragedies could have been prevented if the information had been available to the public when the first service bulletins were issued.

Today consumers still experience all kinds of serious safety issues in their cars caused by issues that have not prompted recalls. In recent months hundreds of Honda drivers, for instance, have

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<sup>1</sup> <https://www.consumerreports.org/car-repair-maintenance/how-to-get-a-technical-service-bulletin-tsb-for-free/>

<sup>2</sup> <https://www.nytimes.com/interactive/2014/05/18/business/gms-ignition-problem-who-knew-what-when.html>

<sup>3</sup> <https://www.caranddriver.com/news/a15353429/gm-ignition-switch-review-complete-124-fatalities-274-injuries/>



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complained about rear window shattering in nearly-new 2023 HR-V SUVs as a result of a defect in the rear defroster. Honda has recently announced a “voluntary product update campaign” to address the issue – but has not recalled the cars, though many safety advocates believe a recall is needed. <sup>4</sup>

In many cases, car manufacturers will, under some circumstances, alter or extend their warranties to cover efforts to fix these problems. However, there is also a long history of manufacturers (and some dealers) working to conceal that kind of information from consumers – which is why consumer and safety advocates often call them “secret warranties.” <sup>5</sup>

To help consumers get such information, Consumer Auto in 2016 led the successful effort to pass legislation that prohibits manufacturers from punishing Maryland car dealers for sharing such information with sales or services customers. Nationally, after years of work by advocates and lawsuits pressuring federal auto safety regulators to implement federal laws mandating that they make such information available to the public, NHTSA has now made much of that information available online on its recall look-up site <sup>6</sup> (at [www.nhtsa.gov/recalls](http://www.nhtsa.gov/recalls))

Unfortunately, few car buyers even know that this information exists. Or know that much of it is now available online – or how to find it on NHTSA’s somewhat clunky and confusing website. So many consumers continue to buy rather expensive used cars only to later learn they come with serious problems that the carmakers knew about, and their dealers should have known about, but that they were not made aware of when they purchased the vehicle. Indeed, in many cases they would be unlikely to learn about some of these problems even if they do a careful vehicle history check and search for outstanding recalls – unless the dealer notifies them about these issues.

Requiring dealers to disclose those service bulletins and warranty adjustments – as **HB 659** would mandate -- would give many consumers better information about the cars they’re buying – before they make a costly and perhaps dangerous mistake.

While the committee may need to think carefully about exactly how to specify what communications need to be disclosed, this kind of disclosure could be very valuable in protecting the safety of drivers and the large investments consumers make in their cars.

**We support HB 659 and ask you to give it a FAVORABLE report.**

Sincerely,

Franz Schneiderman  
Consumer Auto

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<sup>4</sup> <https://www.consumerreports.org/cars/car-recalls-defects/honda-hr-v-rear-windows-are-shattering-a8436896806/>

<sup>5</sup> <https://www.autosafety.org/secret-warranties/>

<sup>6</sup> <https://www.consumerreports.org/car-repair-maintenance/how-to-get-a-technical-service-bulletin-tsb-for-free/>