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DEPUTY MAJORITY WHIP

Economic Matters Committee



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## THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

## Tuesday, February 27, 2024

## Testimony of Delegate Marlon Amprey in Support of HB 1275 Vehicle Laws – Manufacturers and Dealers – Standing of Dealer Associations

Dear Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee.

Maryland has historically been an attractive destination for corporate entities and has stood as a beacon for economic prosperity. Our state's ability to maneuver business law and address contemporary corporate issues has paved the way for the success of Maryland businesses. HB 1275 gives standing to a motor vehicle dealer association to request an administrative hearing, or seek judicial relief, on issues dealing with Maryland's Dealer Franchise Law under Transportation Article 15. Current law provides that only individual franchised dealers may file an action against a manufacturer or seek clarification of the motor vehicle franchise law.

Most franchised dealers are reluctant to file a formal complaint with the Motor Vehicle Administration against their manufacturer. The potential adverse consequences from the manufacturer outweighs an individual dealer filing a complaint. The Economic Matters Committee has reviewed several bills over the years on the Dealer Franchise Law, which have been an attempt to clarify whether or not certain manufacturer practices complied with or violated Maryland's existing franchise law protections.

This legislation will reduce the need for new franchise bills to clarify or update language in the law. Dealer associations have been given standing in 9 states – North Carolina, Georgia, Florida, California, Hawaii, Idaho, Montana, Washington and West Virginia. There has not been a substantial increase in litigation in those states. HB 1275 makes no substantive change to Maryland Franchise Law. It simply gives a dealer association the ability, on behalf of its members, to use the current administrative process set up by the Motor Vehicle Administration.

House Bill 1275 ensures that vehicle dealers have legal recourse, and that this industry can continue to operate smoothly to serve our citizens.

For these reasons, I urge a favorable report on House Bill 1275.

Respectfully,

Delegate Marlon Amprey 40<sup>th</sup> Legislative District of Maryland