



February 23, 2024

The Honorable C.T. Winston  
Chair, House Economic Matters Committee  
Room 231  
House Office Building  
Annapolis, Maryland 21401

**HB 1275 - Vehicle Laws – Manufacturers and Dealers – Standing of Dealer  
Associations  
Position: Unfavorable**

Dear Chairman Winston:

On behalf of the Alliance for Automotive Innovation,<sup>1</sup> please accept the following comments in opposition to HB 1275, which would unfairly and unreasonably grant special standing rights to automobile dealer trade associations.

All trade associations currently have adequate ability to file lawsuits on behalf of their members. The United States Supreme Court established the criteria for associational standing 46 years ago in a case named *Hunt v. Washington State Apple Advertising Commission*.<sup>2</sup>

HB 1275 would relieve favored dealer associations from having to show that they have standing under *Hunt*. It would grant automobile dealer associations rights well beyond what other trade associations have. For example, HB 1275 would allow the association to collect damages even though its members were the ones harmed, not the association.

The purpose of HB 1275 is presumably for automobile dealer associations to insert themselves into the contractual relationship between automobile manufacturers and their dealer business partners. Dealer associations do not have privity of contract in those business-to-business relationships, and they should not have the same rights to adjudicate disputes as the parties to those contracts have. HB

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<sup>1</sup> Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. The newly established organization, a combination of Global Automakers and Alliance of Automobile Manufacturers, will be directly involved in regulatory and policy matters impacting the light-duty vehicle market across the country. Members include motor vehicle manufacturers, original equipment suppliers, technology and other automotive-related companies and trade associations. The Alliance for Automotive Innovation is headquartered in Washington, DC, with offices in Detroit, MI and Sacramento, CA. For more information, visit our website <http://www.autosinnovate.org>.

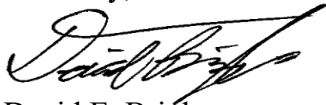
<sup>2</sup> *Hunt v. Washington State Apple Advertising Commission*. 432 US 333 (1977).

1275 would lead to needless litigation and conflict and create uncertainty in business decision making.

Finally, HB 1275 creates a moral hazard. If Maryland grants unique standing rights to dealer associations, then other special interest groups are likely to ask the General Assembly for similar special standing rights. The US Supreme Court's associational standing criteria in *Hunt* has stood the test of time and should not be disturbed. Different associations should not have different associational standing rights.

HB 1275 is unfair and unnecessary. The Alliance for Automotive Innovation respectfully asks you to vote against this bill. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Bright". The signature is fluid and cursive, with a prominent flourish at the end.

David E. Bright  
Senior Attorney  
Alliance for Automotive Innovation