



13900 Laurel Lakes Avenue, Suite 100 Laurel, MD 20707

## Testimony to the Senate Judicial Proceedings Committee SB 1003 – Vehicle Laws – Manufacturers and Dealers – Delivery of Vehicles Position: Favorable

The Honorable Will Smith
Judicial Proceedings Committee
2 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Judicial Proceedings Committee

March 6, 2024

## Dear Chairman Smith and Committee Members,

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.

We support **SB 1003** because it acts to update Maryland's rules about the ways dealers can order vehicles from manufacturers – in ways that make our statutes more consistent with current practices and should make the process more efficient for both dealers and consumers.

Maryland's statutes still suggest that cars are ordered through written orders. Section 15-208(a) of the Transportation Code stipulates that car manufacturers "may not refuse to deliver new motor vehicles, new two-stage vehicles, or truck component parts" to a dealer "within a reasonable time after *receipt of a written order*." (emphasis added) That language, however, no longer reflects contemporary practices. Dealers now primarily order cars electronically through a factory portal or application – or simply accept an allocation they're awarded by the manufacturer.

This bill modernizes the statute to replace the "written order" language with "submission of an order or acceptance of an allocation" – a phrase that better reflects how cars are ordered and delivered today.

This reform should prevent future conflicts by making our laws more consistent with our practices – and make the distribution of vehicles easier and more efficient, to the benefit of both dealers and consumers.

We support SB 1003 and ask you to give it a FAVORABLE report.

Sincerely,

Franz Schneiderman Consumer Auto