



January 20, 2025

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

**SB 45 - Vehicle Laws - Manufacturers and Dealers - Alterations**  
**Position: Unfavorable**

Dear Chair Smith:

On behalf of the Alliance for Automotive Innovation,<sup>1</sup> please accept the following comments in opposition to SB 45. The bill would pose risks to consumers and manufacturers by allowing repair shops to do unauthorized repair work under a manufacturer's warranty. The bill would also create avenues for abuse of Maryland's current law that governs the contractual relationship between manufacturers and their dealer business partners.

SB 45 would allow a former dealer to perform warranty and recall repairs on any vehicle that it sold while it was a dealer and complete any warranty or recall repair that was underway when the dealer ceased to be one of the manufacturer's authorized dealers. That is harmful for consumers who reasonably expect that the work being done on their vehicle is being done by someone who is authorized to do it. The idea also does not recognize that a warranty on a new vehicle is the manufacturer's warranty not the dealer's warranty. The legal responsibility—under federal and state laws—to see that the warranty is honored is on the manufacturer. SB 45 would force manufacturers to allow former dealers to do work on the manufacturer's behalf despite their lack of authorization to do so. It would be illogical and unreasonable to place a burden on manufacturers to comply with state and federal warranty laws while at the same time depriving them of the right to control who is allowed to do work on their behalf.

SB 45 would also create avenues to abuse the existing state franchise law by allowing dealers to be compensated for duplicative costs and by prohibiting efficiencies that manufacturers use across the country. First, it creates several "administrative fees" that are already part of the compensation. For example, it creates fees for inspecting vehicles and preparing reports. Yet diagnostic and administrative costs such as billing are already baked into the compensation required by state law. That would create duplicative costs. The bill would also prohibit manufacturers from using kits (bundles of individual parts) to assist dealers in warranty and recall repairs. Those kits make repairs

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<sup>1</sup> From the manufacturers producing most vehicles sold in the U.S., to autonomous vehicle innovators, to equipment suppliers, battery producers, and semiconductor makers – the Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the overall economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer, and smarter personal transportation future. [www.autosinnovate.org](http://www.autosinnovate.org).

more efficient and avoid unnecessary costs in the system which ultimately benefits consumers. Maryland should not be an outlier state and prohibit that practice.

The above examples are only a sample of the unfair costs that SB 45 could create. The bill is unreasonable 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Josh Fisher". The signature is fluid and cursive, with the first name "Josh" and last name "Fisher" clearly distinguishable.

Josh Fisher  
Senior Director, State Affairs