

Submitted Electronically

Written Testimony of the Truck and Engine Manufacturers Association

By

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House Bill 1007/Senate Bill 881

**Public Hearing of the House Economic Matters Committee
Maryland General Assembly**

March 3, 2026

Chair Valderrama, Vice Chair Charkoudian and Honorable Members of the Economic Matters Committee,

The Truck and Engine Manufacturers Association (EMA) respectfully requests that MD HB 1007 (and SB 881) be amended to exclude asset-based equipment lease transactions, and financing extended by captive finance companies (companies that finance acquisition of equipment that they or their affiliates manufacture.)

EMA represents the world's leading manufacturers of commercial vehicles as well as on- and off-road engines used in applications such as trucks; buses; construction and farm equipment; locomotives; marine vessels; lawn and garden equipment and stationary generators.

EMA understands and supports the underlying premises of HB 1007 (and SB 881). However, the scope of the bills, as drafted, are overly broad and include transactions which have been exempted from similar laws and legislation passed or proposed in a dozen other states during recent previous legislative sessions. As recognized in these other states, asset-based equipment lease transactions are already well regulated and transparent. The financing provided by equipment manufacturers, including EMA members, benefits both businesses and state and local governments who depend on agricultural and construction equipment by being equipment aligned and holistic in its approach. Financing is structured in our industries with the recognition that our customers operate in seasonal, weather-dependent and project driven environments. Existing regulation allows businesses to choose repayment structures that reflect real world cash flows, collateral and operational needs. The additional regulation proposed and applied to commercial equipment would increase costs without providing any additional protections and raise the total cost of ownership for Maryland businesses.

EMA is requesting commercial equipment financing be fully exempted from HB 1007 (and SB 881) for the reasons set forth above.

Thank you for the opportunity to provide our comments. If you have any questions or need additional information, please do not hesitate to contact me at phanz@emamail.org or at (312) 929-1979.

cc: Delegate Fraser-Hildago
Senator Kramer