

Submitted Electronically

Written Testimony of the Truck and Engine Manufacturers Association

By

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Senate Bill 881/House Bill 1007

**Public Hearing of the Senate Finance Committee
Maryland General Assembly**

February 27, 2026

Chair Beidle, Vice Chair Hayes and Honorable Members of the Senate Finance Committee:

The Truck and Engine Manufacturers Association (EMA) respectfully requests that MD SB 881 (and HB 1007) 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 SB 881 (and HB 1007). 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 SB 881 (and HB 1007) 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: Senator Kramer
Delegate Fraser-Hildago