

Both Sides of the Coin

by Jeremy Cottrell, CAR lobbyist

Colorado Automotive Retailers (CAR) and our cooperative coalition of auto industry representatives have secured strong support from both Republicans and Democrats for SB-221, the ten-year Sunset Review of the Motor Vehicle Dealer Board (MVDB.)

As previously noted, Senator Ken Kester, a former auto dealer, is set to offer an amendment that would retain the makeup of the MVDB in its current composition. In fact, Kester was so adamant about supporting it, he was mistakenly sure it passed in committee. When corrected on the status, Senator Kester was quick to step up to sponsor the amendment.

Our main emphasis is approaching both Democrats and Republicans and avoiding the possibility of a partisan battle. At this time, it seems to be successful as legislators on both sides are reasonably open to retaining the current board make-up.

However, a late development may forecast some obstacles once the bill gets to the House side. The Colorado Oil & Gas Conservation Commission which has historically been comprised of industry representatives was recently gutted. An increase in the overall number of the board, coupled with a decrease in the industry representation has effectively removed the "Oil and Gas representation" from the Oil and Gas Commission. Proponents of HB 1341 suggest that an increased public presence on the board fosters a more "moderate position."

Opponents of changing the make-up of the Oil and Gas Commission cite a distinct disadvantage in the form of lost jobs, revenue, and a significant tax base for the state of Colorado. Losses would result from a lack of development from one of Colorado's largest and most booming businesses, the exploration, development and export of various forms of energy.

Ironically, many parallels can be drawn between the oil and gas and the auto industry. Similar to many boards, both are weighted in favor of industry representation. Further, both provide a staggering amount of tax revenue to the state. Colorado auto dealers pour in roughly 18 percent of the overall taxes collected. Despite these figures it seems as though a trend of verbalized as "recapturing industry boards" is becoming popular among majority Democrats in the Colorado General Assembly. Even more disturbing, there has been very little evidence or suggestion that industry dominated boards' self-regulation has been unfair or ineffective during their long tenure.

Allowing the legislator's to turning their backs on major industry and potential business development seems contrary to the "Colorado promise" outlined by Governor Ritter in his inaugural address. This commitment was sought to revitalize Colorado economically by attracting business development and expansion. While the veto of HB-1072, the union organizing measure, was a major victory for employers and business development, overall the results have been mixed.

It is our position that although little to no evidence was provided in necessitating a change of board composition, there is a growing trend in overloading industry boards with public members in order to "protect the public." This is a theory promoted by staff within the Department of Regulatory Affairs (DORA), but unfortunately will adversely affecting major industry and professional boards across the state, if the theory is allowed to play out in the legislative process.