

Please support HR 2743 and S. 1304

Colorado delegation cosponsors: Sen. Udall, Rep. Perlmutter, Rep. Lamborn, Rep. Coffman

HR 2743 and S. 1304 will require GM and Chrysler to honor Colorado Law



- ✓ Colorado's motor vehicle franchise laws have been in place since 1937 to protect consumers and dealers from undue influence and coercion by out-of-state automobile manufacturers.
- ✓ HR 2743 and S. 1304, referred to as the "Automobile Dealer Economic Rights Restoration Act" would ensure that the bankruptcies of Chrysler and GM do not eviscerate the expansive rights of dealers under Colorado franchise laws.

HR 2743 and S. 1304 will require GM and Chrysler to compensate dealers appropriately for the monumental investment they have made in their brand(s).



- ✓ Through their bankruptcy filings, Chrysler and GM have terminated 29* Colorado Automobile Dealer Franchise Agreements without just compensation for any of the dealer investment. (*Through the efforts of Colorado's Attorney General, GM has agreed to reverse one terminated dealer, located in LaJunta, Colorado).

- ✓ Dealer investment includes, but is not limited to, the dealership land (often a premium location near a freeway), building, inventory, parts, signage, service

facilities and the goodwill value of the dealership from decades of family name investment.

- ✓ Many terminated dealers have supported their respective brands for 80-100 years and their dealerships were started by their great-grandparents decades ago.
- ✓ Car dealerships are small, family businesses and the average Colorado dealer employees 75 people. This does not include indirect employment that is generated by the existence of car dealerships.
- ✓ These indirect jobs include used and independent car dealers, car washers, window



washers, lawn care providers, window painters, security companies and local police officers that patrol dealerships after hours.

These bills currently have 202 cosponsors in the House and 17 cosponsors in the Senate.

Colorado Automobile Dealers: Vital Economic Contributors

- ✓ In 2007, the automotive retailing industry generated a total of nearly 30,000 jobs in Colorado.
- ✓ In 2007, Colorado residents earned over \$1.5 billion as a result of automobile dealership operations.
- ✓ The average dealership had over \$3.85 million in payroll expense during 2007.
- ✓ Automobile dealers (through taxes collected or paid) generated more than ***\$418 million in revenue for the state and local governments in 2007.*** This revenue accounts for nearly ***20% of Colorado's tax collection.***
- ✓ Sales at new vehicle dealerships in Colorado exceeded \$11 billion in 2007.
- ✓ Colorado new vehicle dealerships sold over 360,000 new and used vehicles during 2007.
- ✓ The average Colorado dealership serviced over 16,500 vehicles in 2007.
- ✓ Dealerships contributed over \$6.1 million to charitable causes in 2007.



in



Please Support HR 2743
and S. 1304

**Colorado's consumers, communities, and
automobile dealers need your help!**