

Who's in Your Wallet: Key Legislative Issues Update

Patrick Calpin

Director of Grassroots Advocacy

National Automobile Dealers Association

Tysons, VA 22102

pcalpin@nada.org

202-547-5500



#socialmedia
#NADA2016

N A T I O N A L A U T O M O B I L E D E A L E R S A S S O C I A T I O N

The views and opinions presented in this educational program and any accompanying handout material are those of the speakers, and do not necessarily represent the views or opinions of NADA. The speakers are not NADA representatives, and their presence on the program is not a NADA endorsement or sponsorship of the speaker or the speaker's company, product, or services.

Nothing that is presented during this educational program is intended as legal advice, and this program may not address all federal, state, or local regulatory or other legal issues raised by the subject matter it addresses. The purpose of the program is to help dealers improve the effectiveness of their business practices. The information presented is also not intended to urge or suggest that dealers adopt any specific practices or policies for their dealerships, nor is it intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

Q&A

- Quick Surveys/Polls:
 - How many Members of Congress Are There?
 - What does CFPB Stand For?
 - True or False? The Consumer Financial Protection Bureau is headed by Senator Elizabeth Warren from Massachusetts.
 - True or False?
 - 10,000 Auto dealers in U.S.
 - Y/N--We are currently using the NADA Fair Credit Compliance Guidance in our dealership.
 - True or False?
 - You can sell a used vehicle with an open recall to a customer.





Congress

- Writes Laws
- Power To Regulate Commerce

Executive Branch



NATIONAL LABOR
RELATIONS BOARD

How Federal Rules Burden Local Auto Dealerships



Successes

- Estate Tax Changes
- Financial Settlements During GM/Chrysler Bankruptcy
- Dealer Exemption from CFPB Oversight
- Cash for Clunkers
- Outdated Emissions Regulations
- Permanent Tax Changes on Section 179 Expensing (2015)

Scary video #1

What can dealers do?

- Know the issues
- Deliver the message



CFPB Guidance (March 2013)

- Alleged Fair Credit Risk
- CFPB Offered No Proof of Documentation of Fair Credit Risk
- Pressured Lenders to Move To Flat Fees
- Eliminates 'Meet-or-Beat' dynamic for dealers

114TH CONGRESS

H. R. 1737

To nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending.

IN THE HOUSE OF REPRESENTATIVES

Mr. GUINTA (for himself, Mr. PERLMUTTER, Mr. BACHUS, Mr. D... SCOTT of Georgia, Mr. BARR, Mr. SHERMAN, Mr. CAMPBELL, PETERS of Michigan, Mr. LUETKEMEYER, Mr. ... Florida POSEY, Mr. KILDEE, Mr. WILLIAMS, and ... lowing bill; which was referred to the

A BILL

To nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending.

1 *Be it enacted*
2 *that the President*
3 **SECTION 1. SHORT TITLE.**
4 *This Act*



Rep. Frank Guinta (R-NH)



Rep. Ed Perlmutter (D-Colo.)

Guinta-Perlmutter – H.R. 1737

- Rescinds the March 2013 CFPB Auto Finance Guidance
- Seeks greater openness and transparency
- Allows CFPB to reissue Guidance correctly

Maxine Waters video

H.R. 1737 Social Media Perspective

#HR1737 | #NADAUpdate

Con Tweets



Marisabel @marisabel87 · Nov 18
Car dealers & leaders are overcharging Black, Latino & Asian consumers [usnews.com/opinion/econom...](https://www.usnews.com/opinion/econom...) Vote No on [#HR1737](#)

Auto dealers are charging minorities more for car loans

And far too many in Congress want to enable it



Retweet 17 Like 5



WorkingFamilies @workingfamilies · Nov 18
Congress: do you stand against discrimination in auto lending? Or do you support [#HR1737](#)?



Retweet 17 Like 5



ColorOfChange.org @ColorofChange · Nov 13
Our partners @CPDAction @RealBankReform @WorkingFamilies delivering 50K+ names to @SpeakerRyan to say NO on [#HR1737](#)



Retweet 5 Like 4

New 2min video

Victory!

November 18, 2015

CFPB Transparency Bill Passes House with Wide Bipartisan Majority

NADA's top legislative issue,
H.R. 1737, passed by a vote of 332-96



244 Republicans



88 Democrats

Senate Strategy in 2016



Insert New Bill Number and sponsors
-- When Available



Support Senate Bill/Strategy – more info once we get bill.

Tax Issues

LIFO

Advertising Deductibility

Small Business Expensing

Bonus Depreciation

Breaking News on “Tax Extenders”

(Dec. 2015)

Major Savings for Dealers!!

Consult Your Tax Advisor or Accountant

Small Business Expensing (Section 179)

- Permanently extended
- Increases from \$25,000 -> \$500,000 annual cost of new or used property eligible to be expensed
- Retroactive to January 1, 2015
- Phase-Out for investments exceeding \$2 million
- Dealership examples include: facility upgrades, tooling, new business equipment (i.e. computers, etc.)

Bonus Depreciation (5 Year Extension)

- Allows businesses to deduct an **additional 50%** of cost of equipment placed into service that year
 - 50% – 2015, 2016 and 2017;
 - 40% – 2018;
 - 30% – 2019;
- Additional \$8,000 in First Year Depreciation For “Luxury Autos” For 2016 and 2017
 - Phases out beginning in 2018



Tax Reform

2016 and Beyond

- **Last-in, First-out (LIFO)**
- **Advertising Deductibility**
- **2016 Election Year Inaction?**



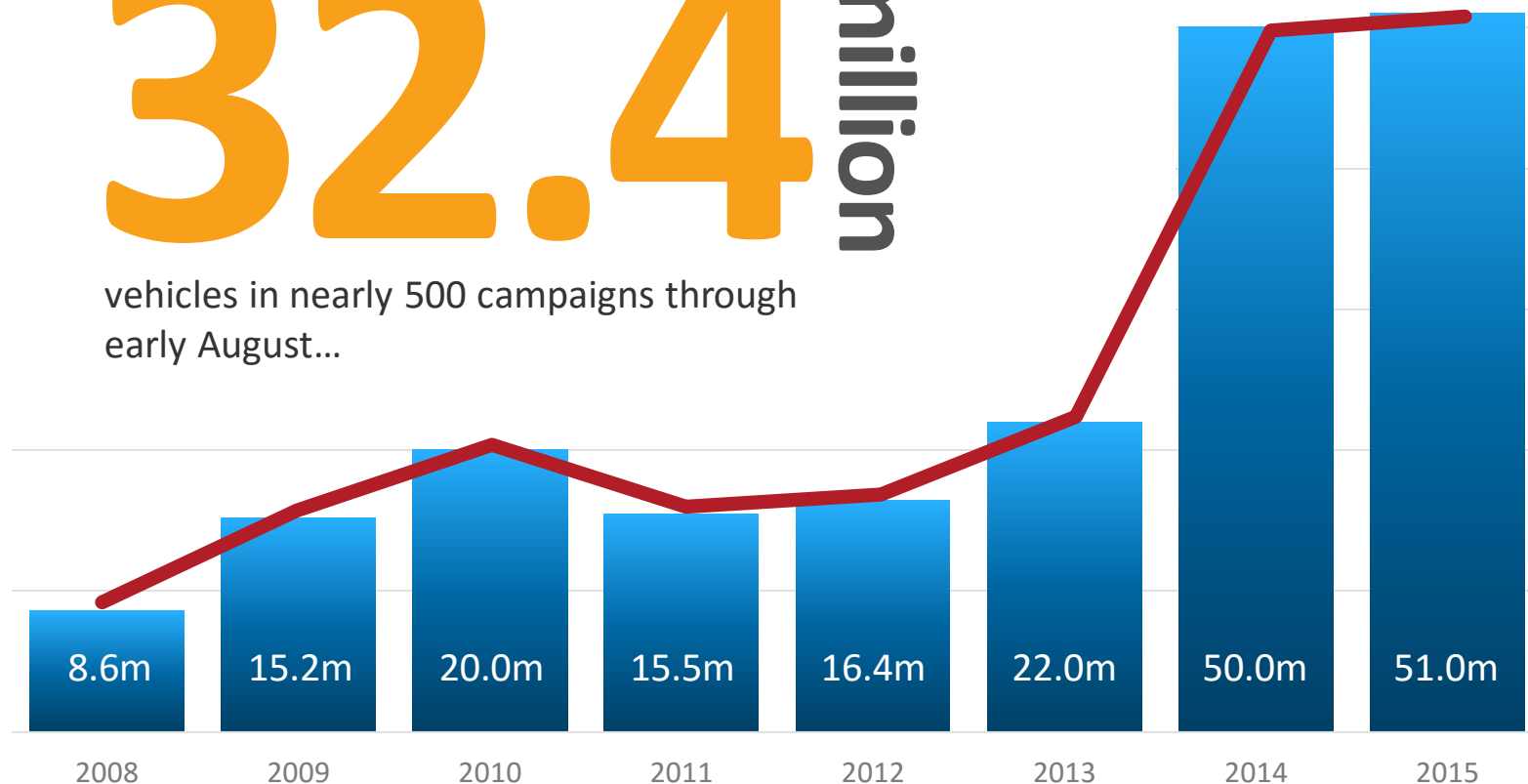
Recalls

“New Normal”

U.S. automakers and other vehicle manufacturers overseen by the National Highway Traffic Safety Administration already have recalled more than

32.4 million

vehicles in nearly 500 campaigns through early August...



Recall Completion Rate

100%



Auto Recall Legislation in Congress



Ground All Rental Vehicles

- **H.R. 2198**
(Capps, D-Calif.)
- **S. 1173**
(Schumer, D-N.Y.)
- **H.R. 2410, "Grow America Act 2.0"**
(DeFazio, D-Ore., by request of the Obama Administration)



Ground All Used Vehicles

- **H.R. 1181**
(Schakowsky, D-Ill.)
- **S. 900**
(Blumenthal, D-Conn.)
- **H.R. 2410, "Grow America Act 2.0"**
(DeFazio, D-Ore., by request of the Obama Administration)



No Registration Renewal for Vehicles Under Open Recall

- **S. 617** (Markey, D-Mass.)
- **H.R. 2410, "Grow America Act 2.0"**
(DeFazio, D-Ore., by request of the Obama Administration)

Victory!

December 4, 2015

Congress Passes 5-Year Transportation Bill

Rental Car Recalls Apply Only to Rental/Loaner Fleets
of **35 or more** vehicles

Used Cars Under Open Recall Remain Unchanged



“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

- Margaret Mead, Anthropologist



NADA 100

How NADA Grassroots is organized

63  **NADA**
Directors

Congressional Partners

550
up from
338

Points of Contact
1,175+


 **620**
up from
431
Key Contacts

 **110+**
State Association Executives (ATAEs)

Getting involved is simple and easy



Getting involved is simple and easy

By participating in NADA's about dealer issues, and schedule face-to-face meetings with legislators and employees back home

STEP 1

Setting Up the Meeting

Contact NADA for talking points, handouts and help in scheduling face-to-face meetings with legislators.

The Dealership Visit

A dealership tour allows a legislator to meet your employees and learn about dealers' legislative priorities.

- Contact NADA, which will coordinate your schedule with the legislator's office and arrange a visit.
- A visit/tour usually takes an hour and should include all departments and meeting your employees.
- Conclude the tour with a discussion about key dealership policy issues.

Meeting at a Legislator's District (or State) Office

These meetings usually are informal and relaxed.

- Call the district or state office, and ask to speak with the district director or scheduler.
 - For your Senator's contact info: senate.gov
 - For your Representative's contact info: house.gov
- Ask to schedule a 30-minute meeting to discuss dealer policy issues.

Meeting at a Legislator's Washington, D.C., Office
NADA can help set up these meetings, which require planning and are often just 15 minutes. Be sure to meet with the legislator's staff—who usually attend such meetings—since they advise the legislator on policy positions.



Dealers and Legislators

MAKING THE GRASSROOTS CONNECTION

3 Easy Steps



You can educate legislators in Washington about how legislation affects your dealership



ATD Chairman Eric Jorgensen (left) Rep. Paul Ryan (R-Wis.)



Florida dealers meet with Rep. Corrine Brown (D-Fla.)

Call Patrick Calpin
202.547.5500





District Meetings





Dealership Visits



The Franchised Auto Dealer:

Main Street's Most Powerful Economic Engine



Grassroots video

Forrest McConnell + Bill Fox video

Grassroots Communications

44



INSIDE THIS ISSUE

- ▶ NADA President Peter Welch: Positioning Your Association For Success
- ▶ Snowstorms Expected to Chill January Auto Sales
- ▶ Fiat Chrysler Posts 70th Straight Month of Sales Gain
- ▶ Lexus Reports Record Global Sales in 2015; Aims Higher in 2016
- ▶ VW Faces U.S. Deadline for SUV Emission Repair Plan
- ▶ Takata Panel to Release Review of Manufacturing Practices

TOP STORIES

NADA President Peter Welch: Positioning Your Association For Success





DEALERS LEGISLATIVE ACTION CENTER

Let Your Voice Be Heard



Home

Federal Issues

Grassroots Resources

Home

Dealers Legislative Action Center

Welcome NADA members to the Dealers Legislative Action Center. This quick and easy to use "E-Advocacy" tool will allow you to contact your Member of Congress on key NADA legislative priorities. Read more about our current issues and click the Take Action button to start. Thank you for your help of fellow dealers and NADA.

Current Issues

**Cosponsor H.R. XXXX, the Reforming CFPB Indirect Auto Financing Guidance Act**[Read More](#) [Take Action](#)

Your Legislators

To find your elected officials, please enter your zip code.

Go!

If you are already a registered user of this site, please log in below.

Email Address:

Go!

[New? Register Here](#)

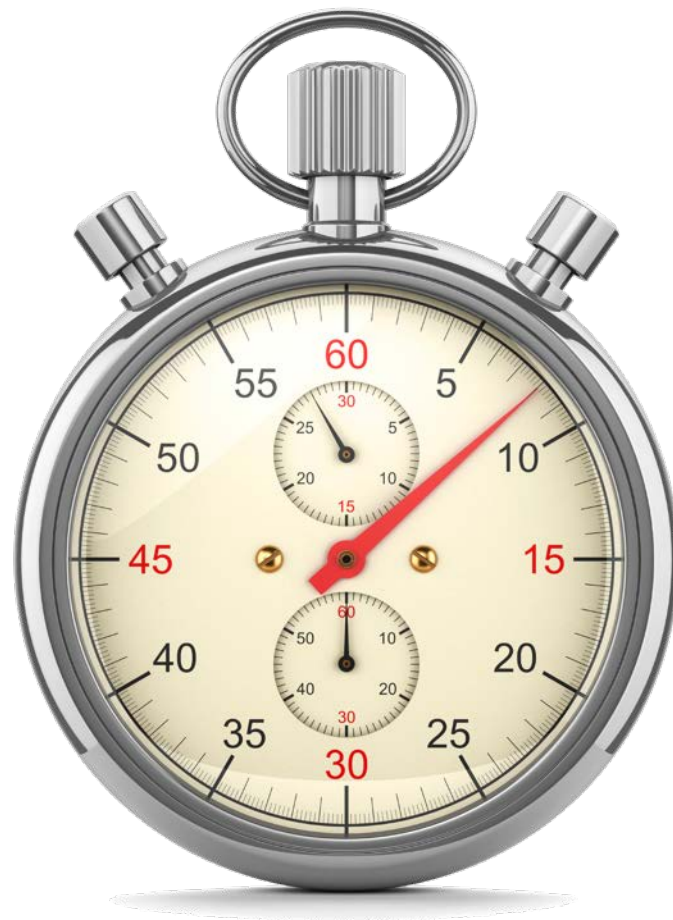


Be Specific

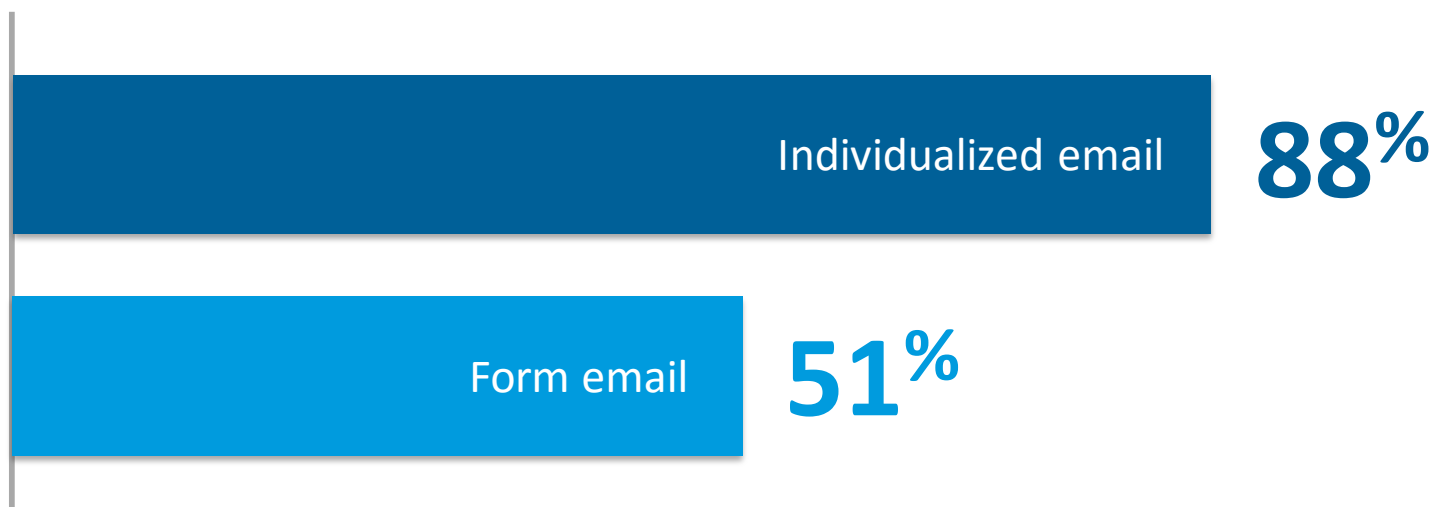
“Ask must be measurable

Keep it Short

7 to 10 sentences



Personalize and Establish Standing






Connect to the Larger Group

facebook.

twitter

 Instagram

 snapchat

Media

Zach Doran @FlaDenMother · Sep 19
Ohio Next Gen dealers with @KarlRove during the NADA Washington Conf
#NADAWC13 @ZachGermain pic.twitter.com/r9cxq06kL2
Hide photo



NADA @NADAUpdate · Dec 10
.@IBDInvestors EDITORIAL: Consumer bureau lacks data supporting charges
of car lender bias. Read here: [bit.ly/18R...](#)
Expand

Retweeted by Bruce Anderson
Iowa Auto Dealers @IowaADA · 1 May 2013
Governor @TerryBranstad formally signed HF395 today with dealers from
@Stiversford and @willisautos by his side. pic.twitter.com/MILIXA0Mey



Retweeted by Bruce Anderson
Iowa Auto Dealers @IowaADA · Sep 19
Rep. Gary Peters: Dealers are some of the leading small businesses in every
district #nadawc13 pic.twitter.com/0sCmwBBFAI



Retweeted by Bruce Anderson
Iowa Auto Dealers @IowaADA · 1 Mar 2013
Thanks @TomLatham for talking about issues facing car dealers with us at
@bobbrownchevy today. pic.twitter.com/P8kcDgGYzr



Expand



NADA @NADAUpdate · Dec 13
.@IBDInvestors: @CFPB is "raising credit costs for consumers" [bit.ly/18R...](#)
Expand

Recap

A portrait of a young man with dark hair and a light beard, smiling warmly. He is wearing a dark suit jacket, a light blue dress shirt, and a blue and white striped tie. The background is a bright, out-of-focus indoor setting.

Goal: Know the issues



Goal:

Deliver the Message

A photograph of three men in business attire (light blue shirts and ties) standing outdoors in what appears to be a car dealership parking lot. The man on the right is smiling and looking towards the other two men. The man in the center is seen from the back, looking towards the man on the left. The man on the left is partially obscured by a large, semi-transparent white text overlay. The background shows a cloudy sky and some cars parked in the distance.

Goal:
**Use your
voice. Tell
your story.**

A close-up portrait of a young man with a shaved head, smiling broadly. He is wearing a light blue and white vertically striped button-down shirt. The background is a blurred office or library setting with bookshelves.

**You can
GET INVOLVED!
make a
difference!**

Questions



Who's in Your Wallet: Key Legislative Issues Update

Patrick Calpin
Director of Grassroots Advocacy

National Automobile Dealers Association

Tysons, VA 22102
pcalpin@nada.org
202-547-5500



#socialmedia
#NADA2016

N A T I O N A L A U T O M O B I L E D E A L E R S A S S O C I A T I O N