

Vermont Vehicle and Automotive Distributors Association (VADA) Proposal
S.241, An Act Relating to Motor Vehicle Manufacturers That Sell Directly to Consumers
February 23, 2020

VADA respectfully requests that this draft study language replace the language in S.241 and the study be completed before any amendments are made to the law.

Study on Direct to Consumer Motor Vehicle Sales; Report

The Agency of Transportation, in consultation with the Attorney General's Office, the Department of Financial Regulation, a manufacturer that sells motor vehicles directly to Vermont consumers and the Vermont Vehicle and Automotive Distributors Association, shall study and make recommendations related to the regulation of direct to consumer motor vehicle sales. "Direct to consumer motor vehicle sales" for purposes of this section shall be those made by: (1) motor vehicle manufacturers that sell or lease vehicles they manufacture directly to Vermont consumers and not through Vermont licensed dealers; and (2) other entities that sell or lease new or used motor vehicles directly to Vermont consumers and not through Vermont licensed dealers on websites such as Carvana, Vroom and TrueCar or otherwise. The study shall include:

- (A) a review of all Vermont consumer protection laws and regulations that currently apply when a consumer purchases a vehicle from a licensed dealer in Vermont and whether those consumer protections should apply to direct to consumer motor vehicle sales;
- (B) a review of how consumers are presently obtaining financing in direct to consumer motor vehicle sales and any proposals that would better protect Vermont consumers;
- (C) a review of how consumers are presently being taxed related to direct to consumer motor vehicle sales and whether there are steps the state can take to maximize the amount of taxes paid to the state and to ensure that all state taxes are collected;
- (D) identify any enforcement issues for the state related to direct to consumer motor vehicle sales;
- (E) a review of how any proposed amendments to Vermont law for direct to consumer motor vehicle sales will affect Vermont licensed dealers, franchisors and others who are selling motor vehicles to Vermonters in the state;
- (F) a review of laws, rules and best practices from other jurisdictions and any model legislation related to direct to consumer motor vehicle sales; and
- (G) any other areas identified as important to address.

The Agency shall file a report of the findings of its study, sources reviewed and recommendations regarding the regulation of direct to consumer motor vehicle sales on or before December 15, 2020, to the Senate Committees on Economic Development, Housing and General Affairs and Transportation and the House Committee on Commerce and Economic Development and on Transportation.