S.47, An Act Relating to Motor Vehicle Manufacturers and Motor Vehicle Warranty or Service Facilities

Testimony of Brian Hoar

on behalf of the Vermont Vehicle and Automotive Distributors Association (VADA) Senate Transportation Committee February 16, 2021

For the record, I am Brian Hoar, Vice President of Goss Dodge Chrysler RAM JEEP in South Burlington. After working for the previous owner, my dad purchased the business in 1979. We added the Jeep store in 2019. Between both stores, we currently employ approximately 100 Vermonters. I also serve on the VADA Board of Directors.

I appreciate this opportunity to talk about the Economic Impact of new car dealers in Vermont.

Vermont's new-car dealers are longstanding Vermont-based, many of them family- owned businesses that are important for Vermont's economy. Licensed and franchised motor vehicle dealers have made a tremendous investment in Vermont for decades; this includes human capital investment in employees and their families as well as physical capital investment in dealer facilities that are located in every corner of Vermont.

Dealers are major employers in every area of the state. According to the National Automobile Dealers Association (NADA), the 2019 Annual Contribution of New Car Dealers shows Vermont's 79 new car dealers created a total of 10,423 jobs in the state, including 3,237 direct jobs, with average annual earnings of \$56,433 and with a payroll of \$182 million. Vermont new car dealers generated a total of \$2.6 billion in sales and paid \$156 million in state sales taxes in 2019.

As this committee knows, dealers collect and remit to DMV a significant portion of purchase and use and other taxes and fees on the state's behalf.

I have to say I am especially proud of my fellow dealers for their resilience in meeting the challenges of COVID-19 this past year; sales were down somewhat, but better than anyone might have anticipated. Dealers rallied to embrace procedures that kept their employees and customers safe, their businesses going and generated taxes and fees for our state.

Much of that was made possible by the dedication of our state and federal elected leaders, legislators, and government agency staff who have and continue to work tirelessly to help us navigate through this pandemic with information, education, and financial resources. We are very appreciative of those efforts.

I've provided you with NADA's 2019 Report on the Economic Impact of Vermont's New Car Dealers.

I thank you for this opportunity to meet with you all this morning.

Driving Vermont's Economy

Annual Contribution of Vermont's New-Car Dealers

Numbers reflect annual economic activity during 2019.





79
DEALERSHIPS
(new car)



10,423
TOTAL JOBS

(created by dealerships)

Includes 3,237 direct jobs and 7,186 indirect and induced jobs.



41

EMPLOYEES

(average per dealership)



\$2.6B TOTAL SALES

(all dealerships)



\$182M PAYROLL

\$56,433

Average Annual Earnings \$640M

State and Federal Income Taxes Paid

Includes income taxes paid for direct, indirect and induced jobs.



0.3%

REGISTRATIONS

Vermont's Share of Total U.S. New-Vehicle Registrations

\$156M

STATE SALES TAX PAID

Sources: Center for Automotive Research, IHS Markit, NADA, Taxfoundation.org, U.S. Bureau of Labor Statistics.

