BULLETIN

COLORADO AUTOMOBILE DEALERS ASSOCIATION







TABLE OF CONTENTS

The Franchise System, Jeff Taylor	3
Auto Theft: The Next Solution, Matthew Groves	7
Denver Auto Show's New Name, Eric Beutz	13
Automotive Career Fair, Mark Zeigler	15
2025 Legislative Update, Jackson Piggott	17



2025 EVENTS CALENDAR

January - May

Colorado Legislative Session

February 12

Q1 Board Meeting

April 17-20

Colorado Auto Show

June 11

Q2 Board Meeting

June - August

Regional Meetings

Sept. 8-10

Project DC & Q3 Board Meeting

October 8

Golf Event - Clear the Air Foundation

November 13-14

Strategic Planning Retreat

November 13

Colorado Automotive Hall of Fame

December 10

Holiday Luncheon & Q4 Board Meeting

More details will be provided about each of these events. For questions, please reach out to Margo Finer at margo@colorado.auto.



The Franchise System

There's a major shift happening in our industry right now—legacy manufacturers are pushing toward direct-to-consumer (D2C) sales in the United States, as they do in Europe. It might seem like a natural evolution, but this move threatens the foundation of our business, the livelihood of thousands of employees, and the experience customers have grown to trust when buying a car.

As your Chairman, I want to be upfront about why this shift matters and why we need to push back - hard. The franchise dealership model isn't just a piece of the puzzle—it's the backbone of this industry, and we can't afford to let manufacturers bypass it. If we fail, what Volkswagen dealers face today will be on all of our doorsteps tomorrow.

Dealerships Are More Than Just a Place to Buy a Car

Franchised dealerships aren't middlementhey're local businesses that have invested heavily in their communities, their people, and their partnerships with manufacturers. If automakers go fully directly to consumers, what happens to the thousands of people working in sales, service, parts, and management? What happens to the millions have dollars dealers of invested showrooms, training, and compliance?

Cutting dealerships out of the equation isn't just bad business — it's a direct hit to local economies. Jobs will disappear, businesses will struggle, and consumers will lose the personalized experience they've come to rely on.

Maximizing customer experience

One of the most significant advantages of the franchise model is the personalized, high-touch customer experience that dealers provide. Buying a car isn't like ordering a pair of shoes online. Customers want to test drive, compare models, and—when something goes wrong—have a trusted local dealer to turn to.

Dealers don't just sell cars; they build relationships. They provide service, answer questions, and advocate for customers long after the sale is made. Manufacturers selling directly might be convenient on the surface, but when that check engine light comes on, who will the customer call? An automated support line? A service center three states away? This is why our advocacy efforts are so important.

Leveling the Playing Field

The franchise system exists for a reason—it creates balance. Manufacturers make cars, and dealerships handle sales and service.

This system has worked for over a century because it ensures fair pricing, healthy competition, and consumer protection.

If manufacturers start selling directly, they'll have total control over inventory, pricing, and distribution. That means they can undercut dealerships, dictate margins, and ultimately make it impossible for smaller, independent businesses to compete. That's not innovation, it's blatant corporate overreach. And it's illegal in Colorado.

Preserving Consumer Choice and Access

Instead of an open marketplace where consumers can explore a variety of makes and models at different price points, they'll be funneled into whatever limited options a manufacturer wants to sell them—likely through an online-only platform with little room for negotiation or hands-on experience. That's not progress. That's a step backward, or a Rückschritt, if you will.

We've seen this play out before—just look at what happened with streaming services. Platforms like Netflix, Amazon, and Disney+lured customers away from cable by offering massive libraries and an ad-free experience. Then, once they had control, they slashed their catalogs, put everything behind paywalls, and slowly reintroduced ads. Consumers went from having access to a broad range of content to being stuck with whatever each company decided to keep on their platform.

This Industry Works Because of Dealers—Let's Keep It That Way

For decades, the franchised dealership model has helped manufacturers grow, supported local economies, and given customers a better car-buying experience. If manufacturers start cutting dealers out of the process, they risk more than just hurting our businesses; they risk unraveling the entire industry.

Now's the Time to Take a Stand

We can't sit back and let this happen. Our affiliate legislation is before the state right now. We need to make it clear that the franchise model isn't outdated, it's essential.

I urge every member of our association to speak up. Talk to your representatives. When CADA emails regarding committee hearings, please attend. Or send someone from your shops. Our voice is heard when we fill committee rooms. This isn't just about protecting dealerships, it's about protecting the integrity of the industry we've built. Together, we can continue to foster a vibrant, competitive, and consumer-focused automotive market.





Auto Theft: The Next Solution

Back in the late days of the pandemic, Colorado's rate of auto theft and catalytic converter theft skyrocketed, leaving us with the unenviable designation as 'first in the nation.' Some blamed the legislature for a downgrading of arrestable offenses against property that left thieves off the hook with citations. But consumers and dealers alike were seeing great property losses and the inability to make certain cars commerciable again, once the theft was reported to police.

CADA's response was to policy build. In a multi-agency team led by Colorado Attorney General, Phil Weiser, we passed Senate Bill 22-009. A portion of this bill expanded the definition of chop shop from a place to place to person, allowing catalytic converter thieves to the be charged with a felony already on the books. This gave the arresting agency enough time to complete an investigation before such an individual was returned to the streets.

The legislature also passed Senate Bill 23-097, creating "motor vehicle theft in the first/second/third degree," making the stealing of a vehicle a felony and created an offense for "unauthorized use of a motor vehicle," for anyone operating a stolen vehicle.

Throughout 2023 and 2024, this worked. Colorado Springs police broke up a car theft ring in the first week of passage, and over 18 months, Colorado dropped to 19th in the nation in auto theft. Our numbers were 25% lower than they had been at their worst. Additionally, in 2023, Colorado recovered 86% of vehicles stolen, compared to an average of 56% nationally.

Given time, however, the thieves have adapted. In December 2024, Colorado had rerisen to its first in the nation status, according to a group that analyzes FBI data. Colorado averages 708.4 vehicle thefts per hundred thousand residents. By comparison, second in the nation was New Mexico with 569.1 thefts per hundred thousand residents.

Some things we cannot change. All top 5 states are in the vast western region. And policy can only ever temporarily leapfrog an organized group of thieves who rely on stolen vehicles for their livelihoods. Colorado's Auto Theft Prevention Agency (CATPA) is a partner of CADA's and a group that goes to extraordinary efforts to limit the prevalence of auto theft given the current constraints of the state. But, as any effective industry does, we must look within ourselves, and not to government, to innovate and react to the biggest challenges of the day.

CADA believes it has found one such solution. This month CADA finalized an agreement with Nexus Dealer Services and their manufacturer Pass Time GPS (a Colorado based company), that has produced a program for inventory tracking and theft-prevention that should have a material impact on cars leaving dealer lots. Here is how the program looks:

- 1. Installation The device is a credit card size, battery-powered GPS device that requires no labor to install. This device does not interfere with the vehicle's wiring or OBD-II components. It provides the capability of an on-demand lot management program via desktop or mobile device. Gives dealers the option to geofence their own lots.
- 2. **Consignment Terms** Once the device is installed, it begins a 12-month consignment program for the purchase of the preloaded devices. All data and activation charges are included in the initial price. The devices can be removed and re-purposed if not sold to the consumer with the vehicle. In addition, Pass Time provides a "\$10,000 Dealer Lot Protection Benefit" in the event they cannot locate a stolen vehicle.
- 3. Labor, Training, and Support Installation is provided free of charge for pre-loaded dealers. PassTime all provides free dealer training to employees upon the program's initial implementation. On-going, monthly training and weekly "Off Lot" reports are provided.

The combination of these elements creates an affordable and effective response to rising theft concerns, provided by a company local to Littleton, Colorado. Our hope is that the Nexus/Pass Time endorsement will help our auto theft rate regress to mean and take Colorado out of the limelight on auto theft. Even a 50% reduction of theft from dealer lots could be a benefit of millions to tens of millions of dollars to Colorado dealers.

We look forward to working with our new partners, whose ad you will find in these pages, and we hope you will join us for an upcoming webinar, featuring the Colorado State Patrol, Federated Insurance, and PassTime to further quantify the real costs of auto theft in the state.

INTOUCH V2

A Revolutionary Battery-Powered GPS for Stolen Vehicle Recovery

Protect Your Lot. Empower Your Customers. Simplify Your Operations.





Pre-Load Accounts

Complete Lot Protection

1-vear lot management +3 years stolen vehicle recovery for consumers.

Smart Lot Security

Safeguard on-site and off-site inventory with geofencing.

Theft Benefit

Secure your lot with our \$10K Dealer Lot Protect.

Effortless Tracking

Instantly locate inventory via mobile or desktop.

Hassle-Free Setup

Dealer consignment available, with no monthly fees for dealers or consumers.

Consumer Theft Benefits

Optional coverage at \$5K, \$10K, or \$25K replacement value.



Non Pre-Load Accounts

Stolen Vehicle Recovery

3 or 5-year protection for consumers.

Consumer-Friendly

No monthly fees, plus mobile app access.

Flexible Options

Dealer consignment available and optional theft coverage (\$5K, \$10K, or \$25K).



Battery Powered Benefits

- √Wireless device.
- VNo wire cutting.
- **√**No labor required.
- No missed unit cost.

Brought To You By Your State Automobile Dealers Association





Commercial Insurance Property & Casualty Life & Disability Income | Workers Compensation | Business Succession and Estate Plannihgonding

Federated DriveSAFESM Telematics can help your employees improve their daily driving habits. This combination of mobile app, in-vehicle tag, and online portal allows you to measure, rank, and provide feedback on employee driving behaviors so you can help them become safer drivers.

The content of this publication is for general information purposes only and should not be considered legal advice or an offer of insurance. Coverage will be determined solely by the terms of your policy, if approved for issue. Consult with a qualified professional to discuss questions specific to your circumstances.





Scan to learn more about Federated DriveSAFESM Telematics and how you can help your employee drivers stay safe behind the wheel.



The Colorado Auto Show: The Next Chapter

For over a century, the Denver Auto Show has been a premier event showcasing the latest innovations and trends in the automotive industry. Since its inception, the show has grown into the largest and most anticipated automotive event in the Rocky Mountain region, bringing together industry leaders, car enthusiasts, and families experience the newest vehicles, cutting-edge technology, and exciting automotive advancements. As the industry continues to evolve and expand, so too must the event that represents it.

With that in mind, we are thrilled to announce that the Denver Auto Show is now the Colorado Auto Show! This name change reflects our commitment to embracing the entire state and recognizing the far-reaching impact of the automotive industry across Colorado. According to the latest figures from the Alliance for Automotive Innovation, the automotive industry generates 120,000 jobs in Colorado and more than \$12 billion in automotive sales each year. The state also receives \$207.8 million in new car sales tax revenue annually. From the mountain towns to the Front Range and the Eastern Plains, cars, trucks, and technology shape the way we live, work, and explore. The Colorado Auto Show will continue to be a destination for everyone bringing together communities, manufacturers, innovators to celebrate the future of mobility in a way that represents all of Colorado. Happening from April 17 – 20, we can't wait to welcome you to this new chapter of the Colorado Auto Show!

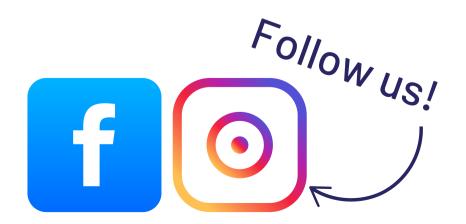


APRIL 17 - 20 | 2025 |





APRIL 17 - 20, 2025 Colorado Convention Center



The Automotive Career Fair is Back!



Clear the Air Foundation is sponsoring an automotive career fair at the Colorado Auto Show on April 18 from 4-9pm at the Colorado Convention Center. This event is free to dealer members and automotive students. Dealers can register here.

This will be a fantastic opportunity to connect with automotive students from around the state. We'll have students enter the career fair area, which will be off the show floor, to interact with dealerships looking to hire and develop new technicians. Students will be handed a bingo card and will be required to get them stamped at your booths in order to gain entry to the auto show. We'll provide the stamps for you as well. I hope you'll join us!

Finally, a word from a recent scholarship recipient:

Vladyslav Piskun with Mike Maroone Chevrolet South received a \$2,500 tool scholarship. He was an engineer and ship mechanic, and he and his family were forced to leave Ukraine after his city was destroyed in the war. He ended up in Colorado and was hired at the dealership where he is thriving.

"Mr. Mark, I am very grateful to you and your foundation for giving me the opportunity to receive this scholarship for tools. It means a lot to me. I hope my experience and these tools will bring many benefits in the future for the automotive industry. Once again, thank you very much."





CAREER FAIR

At the Colorado Auto Show April 18 | 4-9pm The Colorado Convention Center

Dealer Registration





Membership Benefits of:



Legislative Representation

CADA has a constant presence at the state Capitol and in various counties and municipalities. We represent dealer interests in Colorado Franchise Law as well as consumer finance, transportation appropriations, labor/employment law, and Titling and Registration regulations. We are also able to connect participating dealers into political events for first-hand experience in policymaking and politics.





Regulatory Updates/Reminders

In addition to the Colorado Capitol, CADA actively participates in rulemakings with the State's Motor Vehicle Dealer Board, Air Quality Control Commission, and Department of Revenue to shape the implementation details of recent legislation. Following rulemaking, we will frequently hold <u>educational seminars</u> or create training videos to help dealers understand the state's ongoing expectations. CADA also produces a <u>500+ page compliance guide</u> every three years for a comprehensive and notated explanation of what Colorado dealers must prepare for to do business in the state.

Consumer Mediation

Consumers often come to CADA to make inquiries when they are disatisfied with their buying/service experience. CADA will hear their concerns, relay them to the GM while identifying any potential regulatory concerns. Resolution is then left to the consumer and the GM. CADA heard around 200 consumer inquiries last year, and was able to help resolve ~70% before they became regulatory complaints at the Dealer Board.

Workforce Development

CADA knows that competent technicians are a constant need for dealers. This is why <u>Clear the Air Foundation</u> (CTAF) exists: to provide scholarships for automotive students who will soon work in your dealerships. 2024 was a record year, with 65 scholarships were awarded to automotive technicians. CTAF is looking forward to another record year in 2025 of providing dealers techs!



Access to Affiliate Organizations

Legislative work is always a team sport that necessitates coalition building. CADA, or Matthew personally, holds board positions on several issue-based organizations to protect dealer interests. This includes the Coalition to Simplify Colorado Sales Tax, the Colorado Civil Justice League, participation in the Colorado Chamber's Political Action Committee, as well as participation in One Main Street and Colorado Concern. These organizations defend broader business issues that are not limited to the automotive industry. Victories in this area have included the development of the Sales & Use Tax System (SUTS) and the elimination of several private rights of interests and the preservation of the public impact test for class actions.

Networking Events

While neighboring many dealers competitors, we share far more common ground than differences. At Regional Meetings, Title and Compliance trainings, and the Economic Impact Dinner you'll discussions start to reveal trends in industry that later become CADA's legislative goals. Our Hall of Fame Gala honors lifetime the accomplishments of long-time dealers, our golf tournament engages your employees in a fun day of networking. A list of our 2025 events can be found on page 2.







Verified Service Providers

CADA keeps two levels of affiliated service providers - <u>Allied</u> and <u>Endorsed</u> - to ensure that we can recommend someone to meet every need of a dealership. These organizations all participate with fellow Colorado dealers and have established a relationship with CADA to show their expertise and stability in operations. Many also offer special pricing to CADA members.

Use of CADA Building at 290 Speer

CADA's <u>Bud Wells Board Room and 290 Media Center</u> are available for any visiting dealers, OEM, LMA, or community non-profit. With a full kitchen and loading dock, dealers are encouraged to utilize CADA's building free of charge for their business meetings.



Salesperson Mastery Exam Facilitation

CADA offers administration of the State-required <u>Salesperson Mastery</u> <u>Test</u> at our building in Denver. The testing center is open 8am - 2pm. Our testing center requires no appointments, making it a convenient location for testing.



2025 Legislative Session Update

Dealers, we are now more than 30 days into the legislative session, and activity at the Capitol continues to accelerate. Over 330 bills have been introduced, including a dozen we are closely monitoring and one we are actively supporting to protect the dealer-franchise model from VW/Scout's push toward direct-toconsumer sales. With no slowdown in sight, we anticipate significant updates in the second half of the session. We are currently monitoring a range of bill topics from registration enforcement and junk fees to collective bargaining negotiations and autonomous vehicles. Rest assured you will be amongst the first to know of any major updates in these realms.

Colorado Chamber of Commerce 2025 Leadership Program & Colorado County Clerks Association

I was recently honored to have been accepted into the Colorado Chamber of Commerce's 2025 Leadership Program. The first of nine leadership development sessions took place on February 6th, offering valuable leadership development and networking opportunities. Day one introduced participants to Colorado's legislative and business landscape, beginning with coffee and networking, followed by a program overview led by Molly Kostka. Senior Chamber leaders including Loren Furman,

Meghan Dollar, and Dave Tabor provided insights into the Chamber's role in business advocacy, setting the stage for a Capitol tour. We explored Mr. Brown's Attic and scaled the Dome before capturing a group photo on the Capitol steps. The day continued with "Bill 101" featuring Rep. Ty Winter, followed by an engaging civics and business discussion with Lockheed Martin's Joe Rice at the Chamber office. This program provides invaluable opportunities to engage with key policymakers, deepen industry insights, and strengthen our advocacy efforts on behalf of CADA members.

In the final days of January, Matthew and I had opportunity to attend а County Commissioners conference Colorado in Springs. This conference featured insightful breakout sessions on e-Titling and taxable fees in motor vehicle transactions. Here are some key takeaways relevant to CADA members. The transition from paper-based vehicle titles to electronic titling (e-Titling) was a major focus. Traditional paper titles pose inefficiencies, security risks, and potential for loss or theft, while e-Titling offers enhanced security, improved accuracy, and cost savings. However, challenges remain, including increased workloads due to mandatory image documentation and jurisdictional requirements

for Electronic Lien and Title (ELT) and Electronic Registration and Title (ERT) systems.

To ease the transition, dealers may benefit from third-party services and modernization of vehicle records management systems. Policy discussions included potential legislative action to mandate dealer participation in eTitling, ensuring secure linkage between vehicle titles and verified owners, and updating outdated management systems. The session on taxable fees was also enlightening in regard to the repealing of the Low-Emitting Vehicle Exemption, which ended on January 1, with full repeal scheduled for 2028. Dealers must ensure that government-imposed taxes and fees passed on to consumers are included in the taxable purchase price on all relevant forms, even if itemized separately. Similarly, third-party fees passed to consumers are also taxable. While warranties and maintenance plans are generally taxable, they remain exempt if they are optional and listed separately on the invoice.

Looking Forward

Next week, Matthew and I will attend a House Republican roundtable to discuss advancing business-friendly policies. After a period of internal strife, the Republican Party appears poised to push forward an effective, businessfriendly agenda.

We have also begun meeting with promising candidates in key 2026 legislative races while continuing introductions with new legislators at the Capitol. While numerous legislative proposals and regulatory challenges loom, our stance this session

remains largely defensive. I am closely monitoring all bills impacting the auto industry, and as of this month, there is no immediate cause for concern. With the federal government scaling back regulatory bodies and the Governor emphasizing a probusiness regulatory approach—combined with Colorado's ongoing budget crisis-bills with fiscal notes are being sent to 'kill' committees before reaching a vote. This significant barriers for creates initiatives or agencies seeking to impose on CADA regulations members and stakeholders. As always, please don't hesitate to reach out and ask for Jackson (303) 457-5106 should you have any concerns regarding potential legislation or regulatory updates.





CONTACT US

Colorado Automobile Dealers Association 290 East Speer Blvd., Denver, CO 80203 | 303.831.1722 info@colorado.auto | www.colorado.auto



Matthew Groves CEO/President Email 303.282.1449



Beth Weir Vice President of Finance Email 303.457.5120



Mark Zeigler Clear the Air Foundation Director Email 303.457.5105



Dan Allison
Director of Operations
and Training
Email
303.831.1722



Jackson Piggott
Billow Barrow Fellow
for Government
Affairs
Email



Caitlin Ming
Director of
Insurance
Services
Email



Margo Finer
Director of External
Affairs &
Communications
Email



Maegan Wilson-Kjellberg Director of Member Services <u>Email</u>

COLORADO AUTOMOBILE DEALERS ASSOCIATION