



*The Ohio Independent Auto Dealers Association*



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Chairman Baldrige, Vice-Chair McClain, Ranking Member Sheehy, and Members of the Ohio House Transportation Committee. My name is Wendy Rinehart, Executive Director of the Ohio Independent Automobile Dealers Association (“OIADA”). On behalf of the Association, I appreciate the opportunity to testify in support of House Bill 231.

The OIADA represents the interests of the more than 5,000 licensed used car dealers in the state of Ohio. They are epitome of the American entrepreneur, many of whom are small businessmen and women with five or fewer employees. And each of whom has dedicated their very existence to the establishment and success of their business. They are the small car store that survives in the best of times and the worst of times because they are a part of their communities as city council members, school board members, churchgoers, and youth organization sponsors and coaches who look for ways to make our cities and our towns better places to live.

HB 231 will provide to Ohio’s used vehicle business owners the same freedom that other Ohio business owners already have. No other industry in Ohio has required hours or even stipulated hours.

As with many other industries after Covid 19, the used automotive industry has changed. Consumers have not been shopping in person for some time and the pandemic has skyrocketed the number of completely virtual transactions which are done at times that are convenient for the customer. It no longer makes sense to pay people to sit in an office on the off chance someone will show up. Like everything else in the last 18 months, consumers are shopping online and having items delivered. The majority of car buyers have researched the vehicle online and had electronic communication with the dealer or phone contact multiple

times before setting an appointment. By requiring a building to be staffed means a business owner could be forced to hire additional employees to sit in the business while existing staff deliver vehicles.

The BMV sites the TDR fund and consumer protection as justification for the required hours. The dealers making claims against the TDR fund are dealers who have had financial struggles and are not capitalized enough to pay the sales tax and title fees for the consumer. Mandating a dealer or staff be in a building for a specific number of hours or during specific hours will not eliminate financial difficulties. In fact, the additional staff required by mandating hours could add to the financial struggle and cause more claims. It does not protect a consumer.

The BMV wants to mandate hours for the convenience of the BMV and their investigators. A bad business owner is not going to follow BMV rules and regulations. It doesn't matter how many rules they have. Bad actors will be bad actors. Every industry has some. Micro-managing an entire industry because of a few bad actors isn't the way to protect the TDR fund or consumers. The BMV needs the authority to remove the bad actors from the industry swiftly and the penalties should be severe.

The OIADA exists to educate and promote the independent dealer. Consumer protection is at the core of everything we do. The OIADA believes the best way to protect the TDR fund and consumers is through education not required business hours. Many states just like Ohio have a pre-licensing education requirement for people wanting to obtain a used dealer license. They also have a continuing education requirement to keep the used vehicle dealers educated on the changes to the laws and industry standards. Ohio does not have that. Ohio implemented the pre-license education requirement in 2012 and the BMV started requiring it in 2015. With over 5,000 licensed used car dealers, Ohio has thousands of dealers doing business that were licensed before 2015 and have never had any type of industry education. Educating the dealers and working with the BMV to make changes to the laws and penalties will protect both the consumer and the TDR fund.

It is time to level the playing field for all Ohio business owners. I urge you to vote yes on HB 231.

Mr. Chairman, thank you for the opportunity to testify today. I am available to take any questions that members of the committee might have.