Direct Sales Bill Passes Out of Committee

SB-214 Passes with 21 Votes

SB-214 has passed the Transportation Committee by a vote of 21-14. To see how individual members voted, check out the tally on the <u>committee website</u>.

Legislators are offered time to comment before the vote is taken and several took the opportunity.

Representative Devin Carney (R) (Ranking Member), who is a no vote, said that there is no longer a need because dealerships are now selling EVs, a change from several years ago. He opined that Tesla is a legitimate company, but that other, newer entrants like Rivian and Lucid, with their difficulties in ramping production, are not, and thus do not deserve this "carve-out." He also objected to characterizations made of the legacy companies that they don't care about the environment, and cited some of the challenges of sourcing the materials necessary for battery manufacturing from places like the Democratic Republic of the Congo.

Representative Jonathan Steinberg (D), a longtime supporter of direct sales, said this year's bill was an improvement over past bills. (The bill is restricted to battery electric vehicles and is no longer just a Tesla bill). Steinberg notes that the dealers say that direct sales will hurt their businesses but that the data from states where direct sales is legal just don't support that conclusion. He thinks the entire auto purchasing relational experience will change, that it's about competitiveness, and that this bill supports consumer choice. Interestingly, he said that he would support a bill that goes further than this one and do away with the franchise

laws entirely.

Representative Stephen Meskers (D) said he was a yes because "at some level, the markets should decide." His main concern was about whether this would extract profits from the state and vowed to engage with Tesla and the other companies to push them to maximize their investment in CT, including vocational-technical training.

Senator Henri Martin (R), voting no, complained that he doesn't understand why this bill keeps coming back year after year. He feels that this bill does not protect consumers, questions whether there will be adequate servicing facilities, and that it comes down to having two sets of laws.

The actual committee vote was more bipartisan than the above comments might indicate. However, as best we know, last year there were no Republican votes in the Senate for this bill (since the bill didn't get called, there was no recorded vote). That is something we hope to see change.

Bills similar to SB-214 have made it out of committee in the past but haven't made it across the finish line. The Senate is the next stop for SB-214.

We think that Representative Steinberg is spot on. This industry is changing but it needs to change faster. Consumers overwhelmingly <u>support</u> this legislation. Now is the time to tell your legislators that you support the free-market and consumer choice, and that the current, antiquated laws are holding back EV adoption.

You can use <u>this page</u> to find your state senator and representative.