



## BULLETIN #98/2020 JULY 8, 2020

**SBA DATA SHOW AUTO DEALERS RECEIVED AT LEAST \$7.6 BILLION IN  
PPP LOANS**

**RIGHT TO REPAIR PETITION SIGNATURES FACE CHALLENGE**

**MASSACHUSETTS COVID-19 DAILY TRACKER**

### **Auto Dealers Received At Least \$7.6B in PPP Loans, Saving More Than 746,000 Jobs**

[Courtesy of *Automotive News*]

Retailers of new and used vehicles nationwide received between \$7.6 billion and \$11.89 billion in Paycheck Protection Program loans of \$150,000 or more in the second quarter under the \$660 billion federal program to save jobs during the COVID-19 pandemic.

According to [data released this week by the Small Business Administration](#), 12,693 new-car dealerships collectively received between \$6.97 billion and \$10.36 billion in PPP loans. That figure represents about 76 percent of the 16,682 dealerships in the U.S., according to [NADA's year-end 2019 count](#), and does not include those that took loans that were less than \$150,000.

In addition, 1,988 used-car dealerships received between \$625 million and \$1.53 billion in PPP loans.

Exact loan amounts weren't available because the SBA provided ranges for the forgivable loans that were more than \$150,000 rather than specific figures. The ranges reported were:

- \$150,000-\$350,000
- \$350,000-\$1 million
- \$1 million-\$2 million
- \$2 million-\$5 million
- \$5 million-\$10 million

Loans between \$150,000 and \$10 million accounted for almost 75 percent of the loans granted under the program, the SBA said.

According to the SBA, the \$660 billion PPP program has supported 51 million jobs nationally. The low-interest loans are forgivable under certain conditions, including if employers retain or rehire employees and maintain salary levels.

Forty-four new-vehicle and four used-vehicle retailers nationwide accepted the largest PPP loans — in the \$5 million-\$10 million range — according to the SBA data. The largest group of new-vehicle dealerships — 6,364 nationally — took out PPP loans that were between \$350,000 and \$1 million. Among used-car dealerships, the most popular



were between \$350,000 and \$1 million. Among used-car dealerships, the most popular loan amount was between \$150,000 and \$350,000, according to the data.

(Editor's note: Crain Communications, the parent company of *Automotive News*, also received a PPP loan.)

Jared Allen, vice president of communications for the National Automobile Dealers Association, said in an email that the PPP "has been invaluable in keeping dealership employees on the payroll during this extremely challenging time for vehicle sales."

"In fact, every dealer NADA has heard from who received a PPP loan has used it to keep employees on the payroll, and/or bring back furloughed or terminated employees, even though economic conditions would have otherwise forced those dealers to make drastic and permanent workforce reductions.

"Furthermore, a great many dealers will end up devoting 100 percent of their PPP loans to payroll expenses. This is exactly what Congress intended when it created the program, meaning the program is working exactly as it should."

The SBA data does not give a complete picture of how many jobs were retained by the program among automotive retailers, because some loan data is either blank or lists zero as the number of jobs retained. However, among those for which the information was available, the SBA estimates that almost 746,000 jobs were retained at new and used dealerships nationwide as a result of the PPP loans.

Adam Robinson, CEO of Hireology, told *Automotive News* last month that PPP loans were common among nonpublic dealership groups, and, once the rules were clarified by Congress, helped to cushion what would have been a very sharp jobs decline in the industry.

"I believe, based on the data we're seeing, that hiring will continue to accelerate," Robinson said. "And somewhere around September or October, we will see the number of jobs in the industry approach what I think will be the new number on a permanent basis, and I believe that new number is going to be between five to 10 percent below where it used to be."

### **Auto Repair Question Opponents File to Disqualify Question - Ballot Law Commission Will Decide Signature Case**

[Courtesy of *State House News Service*]

Opponents of a proposed ballot question that would increase access to automobile data formally objected to its eligibility today, echoing an argument that has so far blocked a congressional candidate from making the ballot in a separate case.

The Coalition for Safe and Secure Data, a manufacturer-backed group organized to fight the question, submitted a challenge Wednesday that will prompt a state panel to decide whether the proposal can go before voters on November 3.



In their challenge, the coalition argued that the third-party company used by the campaign disobeyed electronic signature-gathering requirements outlined by the Supreme Judicial Court by storing signatures in a separate file and tracking personal data without notification.

"The signature gathering effort used by ballot question proponents not only violated public policy and failed to meet the standards outlined by the court, it also put the personal information of more than 24,000 Massachusetts voters at risk for potential misuse, hacking and identity theft," said Conor Yunits, a spokesperson for the coalition.

The State Ballot Law Commission, a five-member panel appointed by the governor, must now decide whether the question -- one of two headed toward the ballot -- is eligible to reach the ballot.

Thanks to an April 29 SJC [ruling](#), initiative petition supporters were allowed to collect e-signatures during the final round of the process as a way to limit COVID-19 risks. However, voters had to submit their e-signatures directly into the forms and had to be alerted about what personal information was being collected and why, roughly similar to the e-signatures guidelines given to candidates for office in an [earlier decision](#).

The new filing before the ballot law commission comes less than two weeks after the same panel deemed Helen Brady ineligible to make the ballot for the 9th Congressional District because of issues with her signature-gathering vendor, VenueX -- the same company allegedly used by the right-to-repair campaign.

By storing electronic signatures in a separate file and importing them into the nomination papers, VenueX and by extension Brady violated the requirement to submit "native" signed documents for certification, the SBLC [ruled](#).

Brady, who plans to appeal the decision, told the News Service that she believed 39 other candidates for office hired VenueX to help gather e-signatures amid the pandemic.

The SBLC cannot intervene, however, unless a party challenges a candidate or campaign's eligibility, and Brady was the only one to draw an objection on such grounds.

Her precedent does not guarantee an outcome in the ballot question case, and the SBLC will now need to decide whether the proposal to update the state's 2012 law outlining access to vehicle information can appear on the general election ballot.

Tommy Hickey, a spokesman for the supporters' group, said in a statement today that the campaign collected signatures "over multiple platforms, based on the guidance of regulators."

"Our coalition got more than 100,000 signatures last fall and collected 24,000 signatures this spring from voters who want to maintain a choice on where to get their car repaired," he said. "This is yet another sign of the large automakers trying to monopolize the repair market and leave Massachusetts consumers, who voted 86% in favor of this in 2012, and



independent repair shops in the dust."

Their 24,000 recent signatures cleared the required threshold of 13,374. Secretary of State William Galvin is still reviewing the submission, along with those filed by supporters of a proposal to implement ranked-choice voting in Massachusetts.

The so-called right-to-repair question would require car manufacturers to make more telematic data available to independent repair shops, a step that backers say will ensure that consumers have more options for maintenance as vehicles continue to add more complicated digital components.

Opponents argue that making the data more available will create significant privacy concerns, a point they raised again as they filed Wednesday's challenge about how voter signatures were handled.

"This was a stunning preview of what could happen if the question passes, because the same people who okayed this plan also made sure not to include any protections for cybersecurity, privacy or personal safety in the ballot question itself," Yunits said. "Not only should this question be struck from the ballot, but the proponents should be required to contact everyone who signed their petition and warn them that their data has been exposed, just as any other major national corporation would do in the event of a data breach."

Debate over the topic has been fierce since the ballot question campaign launched last year, and both sides of the issue have significant support from industry interest groups.

The coalition of opponents has received more than \$1.6 million in donations from the Alliance of Automobile Manufacturers and the Association of Global Automakers, according to [records](#) with the state Office of Campaign and Political Finance.

Similarly, the Right to Repair Coalition has [brought in](#) more than \$1 million, including \$500,000 from the Auto Care Association that represents aftermarket manufacturers and dozens of donations from independent shops, OCPF data show.

### **Daily Massachusetts COVID-19 Tracker**

The state's COVID-19 Dashboard with up-to-the-date data can be found [here](#).

### **MSADA - YOUR DEALER ANSWER PLACE**

If you have any questions regarding this bulletin, please contact Robert O'Koniewski, Esq., MSADA Executive Vice President, by e-mail at [rokoniewski@msada.org](mailto:rokoniewski@msada.org), or Peter Brennan, Esq., MSADA staff attorney, by e-mail at [pbrennan@msada.org](mailto:pbrennan@msada.org), or either by phone at (617) 451-1051.