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Electric Vehicle Bill Could Be Key to Attracting Automakers

MADISON, Wis. – Sen. Dale Kooyenga (R-Brookfield) testified today on legislation that would allow the direct sales of electric vehicles by manufacturers to Wisconsin consumers. The bill, <u>Senate Bill 462</u>, is a simple change to an outdated state law that bans direct-to-consumer sales. The companion bill, <u>Assembly Bill 439</u>, is authored by Rep. Adam Neylon (R-Pewaukee).

Under current law, new car sales can only be done through third-party dealerships. The ban on direct sales not only outlaws manufacturer-owned dealerships, but it also prevents online sales. This means that electric vehicle manufacturers, whose business model depends on direct sales, are unable to sell electric vehicles to Wisconsin consumers, who must travel out of state to get an electric car.

With this law on the books, why would a manufacturer of electric vehicles choose to locate here, where they aren't even allowed to sell their products? Quoted in <u>Forbes</u>, Fisker CEO and co-founder Henrik Fisker said:

"The one sticking point for Fisker—now, this is still Foxconn's decision—but the one sticking point for me would be that I don't want to start producing a car in a state where I can't sell my car direct...<u>If they change those (rules) I think they will be in the lead,</u> <u>but right now they're not."</u>

In response to the growing evidence that SB 462 is a critical component to landing an EV manufacturer, Sen. Kooyenga issued the following statement:

This bill started as a pro-free market reform that opens up a growing avenue of online commerce for Wisconsin consumers while making environmentally friendly transportation more easily available.

It has become an economic development bill. The evidence is growing that Wisconsin can renew its legacy as a state that builds cars, but we must modernize state law first. This seemingly small reform could be the key and, fortunately, the same reform in other states hasn't harmed traditional car dealerships.

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Additional Resources:

- Forbes: Fisker EV Plans For Underused Foxconn Site Hit Snag On Wisconsin Auto Sales Rules
- <u>Milwaukee Business Journal: Attracting Foxconn/Fisker EV plant may hinge on Wisconsin</u> <u>changing state auto dealership law</u>
- <u>Kenosha News: Fisker, the electric carmaker eyeing Racine County with Foxconn, wants a</u> <u>Wisconsin law changed</u>