

# Auto dealers seek Sunday closure as cost-cutting measure

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Facing a steep economic downturn that is putting some of them out of business, Oregon auto dealers will go to the Legislature this winter seeking some novel assistance: a guaranteed day off.

The car dealers will ask Oregon lawmakers to impose "blue laws" prohibiting auto sales on Sunday. Greg Remensperger, executive vice president of the Oregon Automobile Dealers Association, said his members voiced "overwhelming support" for the measure at a series of recent regional meetings.

Closing down for a day would cut dealers' costs and give workers a break, dealers said. Sunday is not an exceptionally busy day at most dealerships, they added.

It's unclear how receptive legislators will be to reinstating the kind of restriction on retail sales that used to be common but has largely disappeared across the country. While the plan wouldn't cost the state anything and faces no obvious opposition, lawmakers have a full plate given the financial downturn and resulting budget cutting that will be required.

But with Detroit's Big Three automakers seeking billions in federal loans and per-capita auto sales at 1958 levels, Remensperger said his members need the assistance. Nineteen Oregon dealers have shut down so far this year and more may soon follow, costing hundreds of workers their jobs.

"No question, there's some troubled times out there," Remensperger said. "It has to do with \$4-per-gallon gas, the troubled economy, people being worried about their paychecks and their livelihood."

A number of local dealerships have closed their doors in recent months as sales have plummeted -- sales of domestic cars declined more than 35 percent nationally in 2008.

After 49 years in business, the Gary Worth auto dealership in Gladstone ended operations Oct. 31.

"It was very difficult," said Mike McManus, whose father and grandfather co-founded the dealership. "It just got to the point it wasn't fun anymore."

In Medford, Lithia Motors, which operates 98 stores in a number of different states, has slashed its payroll by 1,000 people, through the sales of a number of dealerships and downsizing.

"I've been through six recessions and this is as bad as any of them," said Sid DeBoer, Lithia chairman and chief executive.

The dealers don't yet have a lawmaker lined up to sponsor the legislation. A spokesman for House Majority Leader Dave Hunt, D-Gladstone, said he hadn't heard of the plan and didn't know enough about it to comment.

Eleven other states have a similar prohibition on Sunday auto sales.

Oregon dealers could try for a voluntary pact among themselves to remain shuttered on Sunday that wouldn't require a state law. But that could raise antitrust issues, Remensperger said.

Plus, competition being what it is, the dealers figured a state law is probably the only way to ensure someone doesn't try to take advantage of the others' closure.

Ron Tonkin, who runs one of Oregon's largest chains of dealerships, said a Sunday closure would help dealers in another way -- attracting more and better job candidates.

"The big thing would be the quality of your personnel," Tonkin said. "You'd be able to get people who really won't consider our industry because they don't like the hours."

DeBoer concurred, saying the unrelenting nature of auto sales is hard on employees.

"We can work from 8 in the morning till 10, 11 at night," he said. "That's the reality, it's competitive. We burn out so many managers on those

hours."

Lithia operates in several states, including Texas, Colorado and North Dakota, that have banned Sunday auto sales.

Both Tonkin and DeBoer said they were somewhat surprised by Oregon dealers' support of the Sunday closure plan. Dealers in the Portland metro area face competition from Vancouver dealers who would not be subject to the Sunday ban.

And Washington dealers have no plan to adopt a similar restriction themselves.

Vicki Giles Fabre, executive vice president of the Washington State Auto Dealers Association, said her dealers are not advocating similar blue laws. Of more concern, she said, is Washington's tax structure, specifically its business and occupation tax, which Washington dealers say gives Oregon and Idaho dealers an unfair advantage.

Washington's business and occupation tax is levied against gross revenue, while both Oregon and Idaho tax a dealer's profits.

Twelve dealerships in Washington have shut down or sold out so far in 2008, Giles Fabre said.

Tonkin said he played a role in establishing the current practice of remaining open seven days a week. In 1953, a young and hungry Tonkin opened his Portland Kaiser-Frazer dealership on Sunday, violating the accepted practice among area dealers.

Neither his competing dealers nor the Portland Police were happy. Police officers arrested Tonkin and hauled him off the lot, he said, though charges were later dropped.

"This is all partly my fault," Tonkin said, laughing.

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