



Jump Start:

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# Tesla and Car Dealers Both up the Ante

Car dealers and nemesis Tesla Motors have both jacked up political expenditures since the 2013 session. Back then Tesla couldn't begin to muster the horsepower to smash the dealer cartel that prohibits carmakers from selling directly to Texas consumers.

If Tesla and owner Elon Musk “are serious about breaking Texas’ powerful car-dealer cartel,” *Lobby Watch* wrote in 2013, “they will need to drop a lot more political cash, perhaps over several sessions.”

Tesla apparently got the message, as did car dealers. Car dealers had spent up to \$780,000 on Texas lobbyists in 2013—more than twice what Tesla spent. Dealers increased their spending this session 27 percent, paying 27 lobbyists almost \$1 million. Meanwhile Tesla almost tripled its spending, paying 22 lobbyists \$1.3 million in 2015.

The rivals boosted campaign expenditures even more. Billionaire Elon Musk increased his paltry contributions from \$10,500 in the 2012 cycle to \$150,000 in 2014.<sup>1</sup> Meanwhile, dealers boosted campaign expenditures 144 percent, pushing past \$6 million to outspend Musk 40 to 1.

In terms of actual influence purchased, Musk’s odds are somewhat improved. This is because this Monday-morning quarterback focused on buying influence rather than influencing elections. Musk moved most of his 2014 contributions *after* the November election. Meanwhile, two-thirds of the \$23,500 that he did contribute just before the election went to unopposed lawmakers or to senators not facing an election. In the end, *every* candidate that Musk backed won state office; most did so *before* he wrote a check.

Car dealers gave \$2.2 million to losing candidates (36 percent of their total). Those losers will not vote on bills authorizing Tesla to open some proprietary Texas dealerships ([HB 1653](#), [HB 3828](#) and [SB 639](#)). Where *winning* candidates are concerned, dealers outspent Musk 26 to 1.

## Tesla and Dealers Accelerate Political Pressure

Auto Interest	Max. 2015 Lobby Contracts	Change From 2013	2014 Contributions	Change From 2012
Tesla	\$1,330,000	286%	\$150,000	1,329%
Dealers	\$990,000	27%	\$6,093,643	144%
<b>TOTALS</b>	<b>\$2,320,000</b>		<b>\$6,243,643</b>	

## PayPals: Politicians Whom Elon Musk Bankrolled in 2014

Amount	Recipient	Office (Dist.)	Amount	Recipient	Office (Dist.)
\$10,000	Greg Abbott	Gov.	\$1,000	Giovanni Capriglione	H-98
\$10,000	Dan Patrick	Lt. Gov.	\$1,000	Garnet F Coleman	H-147
\$10,000	Joe Straus	H-121	\$1,000	Byron Cook	H-8
\$5,000	*Brian Birdwell	S-22	\$1,000	Myra Crownover	H-64
\$5,000	George P Bush	Land Com.	\$1,000	Sarah Davis	H-134
\$5,000	Glenn Hegar	Compt.	\$1,000	Joe Deshotel	H-22
\$5,000	*Eddie Lucio Jr.	S-27	\$1,000	Harold V Dutton	H-22
\$5,000	*Rene O Oliveira	H-37	\$1,000	Jessica C. Farrar	H-148
\$3,500	Rodney Ellis	S-13	\$1,000	Allen Fletcher	H-130
\$2,500	Kelly Hancock	S-9	\$1,000	Sylvia R. Garcia	S-6
\$2,500	Patricia Harless	H-126	\$1,000	Helen Giddings	H-109
\$2,500	Juan 'Chuy' Hinojosa	S-20	\$1,000	Dan Huberty	H-127
\$2,500	Todd Hunter	H-32	\$1,000	Bryan Hughes	H-5
\$2,500	John Otto	H-18	\$1,000	Jason A Isaac	H-45
\$2,500	Eddie Rodriguez	H-51	\$1,000	Mark Keough	H-15
\$2,500	Larry Taylor	S-11	\$1,000	Tracy O King	H-80
\$2,500	Carlos Uresti	S-19	\$1,000	Lois W Kolkhorst	H-13
\$2,500	Kirk Watson	S-14	\$1,000	Jodie Laubenberg	H-89
\$2,500	John Zerwas	H-28	\$1,000	J M Lozano	H-43
\$2,000	Dennis Bonnen	H-25	\$1,000	*Eddie Lucio III	H-38
\$2,000	Konni Burton	S-10	\$1,000	Ruth J. McClendon	H-120
\$2,000	Yvonne Davis	H-111	\$1,000	Borris L Miles	H-146
\$2,000	Phil King	H-61	\$1,000	Doug Miller	H-73
\$2,000	Trey Martinez Fischer	H-116	\$1,000	Charles Perry	S-28
\$2,000	Senfronia Thompson	H-141	\$1,000	John Raney	H-14
\$2,000	Sylvester Turner	H-139	\$1,000	Matt Rinaldi	H-115
\$2,000	Jason Villalba	H-114	\$1,000	Jose R. Rodriguez	S-29
\$2,000	Armando Lucio Walle	H-140	\$1,000	Matt Schaefer	H-6
\$1,500	Kevin Eltife	S-1	\$1,000	Mike Schofield	H-132
\$1,500	Troy Fraser	S-24	\$1,000	Kenneth Sheets	H-107
\$1,500	Charles Schwertner	S-5	\$1,000	*JD Sheffield	H-59
\$1,000	Roberto R Alonzo	H-104	\$1,000	David Simpson	H-7
\$1,000	Carol Alvarado	H-145	\$1,000	Wayne Smith	H-128
\$1,000	Rafael M Anchia	H-103	\$1,000	Drew Springer	H-68
\$1,000	Trent Ashby	H-57	\$1,000	Van Taylor	S-8
\$1,000	Paul Bettencourt	S-7	\$1,000	John Wray	H-10
\$1,000	Cindy Burkett	H-113	\$1,000	Bill Zedler	H-96
\$1,000	Donna Campbell	S-25	<b>\$150,000</b>	<b>TOTAL</b>	

\* Also received a Musk contribution in 2012.

The most extreme funder of failed candidates is CarMax founder William Austin Ligon. In his first Texas-elections foray, Ligon spent \$1.3 million, giving all but \$20,000 of it to failed Democratic candidates for governor and comptroller.<sup>2</sup>

Gulf States Toyota is a dealer's dealer that supplies dealers in five states. Gulf States and owner Dan Friedkin almost matched Ligon. They backed such winners as Greg Abbott and Dan Patrick, as well as losers David Dewhurst and Senator John Carona, who lost to Don Huffines, scion of a car-dealer clan.

### 2014 Musk Contributions That Preceded the Election

Amount	Recipient	2014 Gen'l Vote (%)
\$5,000	*Sen. Brian Birdwell	NA
\$5,000	*Sen. Eddie Lucio Jr.	NA
\$3,500	Sen. Rodney Ellis	NA
\$2,500	Sen. Kirk Watson	80%
\$2,000	Sen. Konni Burton	53%
\$1,500	Sen. Troy Fraser	NA
\$1,000	Rep. Cindy Burkett	59%
\$1,000	*Rep. Eddie Lucio III	100%
\$1,000	Rep. Matt Rinaldi	57%
\$1,000	Rep. Kenneth Sheets	55%

\*Also received a Musk contribution in 2012.

## Top Recipients of Dealer Cash

Amount	Recipient (2014 Cycle)
\$1,038,898	Greg Abbott
\$758,820	Dan Patrick
\$629,260	<b>*Wendy R Davis</b>
\$620,000	<b>Michael E. Collier</b>
\$234,490	Ken Paxton
\$213,650	David Dewhurst
\$164,750	Don B. Huffines
\$155,300	Joe Straus
\$141,500	<b>John J. Carona</b>
\$118,280	<b>Barry Smitherman</b>
\$113,120	Harris Co. Republican Party
\$108,200	Texans for Lawsuit Reform
\$76,400	<b>Leticia Van de Putte</b>
\$74,100	<b>Todd Staples</b>
\$68,950	Glenn Hegar
\$46,773	<b>Dan Branch</b>
\$46,000	John Whitmire
\$42,500	Conservative Repubs of TX
\$36,650	Robert Lee Nichols
\$32,000	Todd A. Hunter
\$30,147	Collin Co. Republican Party
\$29,350	Paul Bettencourt
\$26,550	George P. Bush
\$26,217	Eric L. Johnson
\$25,000	Van Taylor
\$21,700	Donna Campbell
\$20,250	Meca L. Walker
\$18,500	Drew Darby
\$17,837	<b>Harvey Hilderbran</b>
\$17,500	Jeff C. Leach
\$17,250	Brandon Creighton
\$17,200	<b>William 'Bennett' Ratliff</b>
\$16,500	Associated Repubs of TX
\$15,350	Walter 'Four' Price
\$15,025	Kelly Hancock
\$14,750	Cesar J. Blanco
\$14,750	Lois W. Kolkhorst
\$14,500	<b>Linda L. Harper-Brown</b>
\$13,850	Kel G. Seliger

Losing candidates in **Bold**

Note: Above recipients got 84% of dealer cash.  
\*Includes Battleground TX and TX Victory Com.

Tesla's closest competitor arguably is the hybrid Toyota Prius. Consumers now can buy two or three of these hybrids for the cost of one Tesla. But Musk is trying to market a Tesla at half the current cost. This competition may explain why Toyota dealers account for one-fourth of the top dealer contributors listed on the next page.

Gulf States owner Dan Friedkin also was a major contributor to then-Governor Rick Perry, who appointed Friedkin to the Texas Parks and Wildlife Commission. Perry was mum on the Tesla question throughout the 2013 session. When Musk went shopping for a place to build a \$5 billion battery plant in 2014, however, the fading governor—who would never sign or veto another state bill—suddenly called Texas's car-sales law “anti-quoted.”<sup>3</sup>

Dealer B.J. “Red” McCombs spent almost \$275,000 on the 2014 elections. McCombs is a major investor in Texas' Formula One franchise. It extracted commitments for \$250 million in state funds from ex-Comptroller Susan Combs through an alleged “[oral application](#)” between undisclosed parties. McCombs has [said](#) that Texas' strict dealership law is “as sacred as Paul's letter to the Corinthians.” Apostle Paul's letter suggested that competing Christian schisms all could co-exist under one big tent. Apostle McCombs seems to regard car dealers as Christians besieged in their tent by the infidel Tesla. Honk if you love Jesus.

Tesla has the merits on its side in confronting the dealer cartel. Texas' State Republican Executive Committee [endorsed](#) direct carmaker sales to consumers in March. Musk's pragmatic focus on bankrolling *winning* politicians slashed his massive contribution gap with car dealers. Yet, even if you just count winning candidates, dealers still outspent Musk 25:1.

It is much easier to preserve the status quo than to overthrow it. Tesla needs broad support against entrenched interests to prevail. Meanwhile, all car dealers need to win is for somebody to quietly sabotage the legislative spark plugs in the middle of the night.

## Top Car-Dealer Contributors, 2013 through 2014

Amount	Contributor	City	Affiliation
\$1,340,000	William Austin Ligon	Austin	CarMax
\$899,205	Thomas Dan & Debra Friedkin	Houston	Gulf States <b>Toyota</b>
\$399,750	TX Auto. Dealers Assn.	Austin	TX Auto. Dealers Assn.
\$352,850	Gulf States Toyota PAC	Houston	Gulf States <b>Toyota</b>
\$274,250	BJ 'Red' & Charline McCombs	San Antonio	McCombs Enterprises
\$188,440	John R & Jennifer Eagle	Dallas	John Eagle Dealerships
\$179,739	Samuel Ray & Ann Huffines	Plano	Huffines Auto Dealerships
\$132,000	Carl Sewell	Dallas	Sewell Automotive Co's
\$122,905	Norman D Frede	Houston	Norman Frede Chevrolet
\$110,000	John McGill	Houston	Don McGill <b>Toyota</b>
\$108,250	Tom Durant	Grapevine	Classic Chevrolet
\$95,750	Charles W & Trina Gilchrist	Weatherford	Southwest Ford
\$91,000	Roger A Elswick	Houston	Community <b>Toyota</b>
\$86,400	David Peacock	Houston	Tom Peacock Nissan/Cadillac
\$70,400	Sam H Pack	Carrollton	Pack's Five Star Ford
\$69,371	T Nyle & Nancy Maxwell	Round Rock	Maxwell Auto Group
\$67,500	S Finley & Gail Ewing	Plano	Ewing Automotive Group
\$64,258	Lawrence Patrick Lobb	McKinney	Pat Lobb <b>Toyota</b>
\$61,000	Doug Maund	Austin	Maund Auto Group
\$60,550	Robert H & Rose Hoy	El Paso	Hoy Fox Automotive Market
\$50,000	McGill Legacy	Katy	Don McGill <b>Toyota</b>
\$44,500	Wiley Mossy	Houston	Mossy Nissan Oldsmobile
\$42,500	Donald McGill	Houston	Don McGill <b>Toyota</b>
\$42,500	Milton S & Bridey Greeson	Victoria	Atzenhoffer Chevrolet/Cadillac
\$40,443	Bryan Hardeman	Austin	Mercedes-Benz of Austin
\$38,625	Kirk A & Jeri Clark	McAllen	ClarkKnapp Honda
\$37,000	Mike Shaw	San Antonio	Fernandez Honda
\$35,600	Kenneth & Lisa Schnitzer	Dallas	Park Place Motorcars
\$33,000	Robert & Margaret Baillargeon	Plano	DFW Audi

Note: Above contributors account for 84 percent of all car-dealer contributions in the 2014 cycle.

## 2015 Car-Dealer Lobby Contracts

Client (No. of Contracts)	Max. Value of Contracts	Change From 2013
Gulf States Toyota (7)	\$475,000	42%
TX Auto. Dealers Assn. (13)	\$295,000	5%
DFW New Car Dealers Assn. (4)	\$135,000	93%
Parkway Chevrolet (1)	\$50,000	-17%
New Car Dealers of West TX (1)	\$25,000	0%
CarMax Auto Superstores (1)	\$10,000	0%
<b>TOTAL (27)</b>	<b>\$990,000</b>	<b>27%</b>

### Notes

<sup>1</sup> Overlooking \$3,000 from the Elon Musk Revocable Trust, *Lobby Watch* previously reported that Musk spent \$7,500 on Texas' 2012 elections rather than \$10,500. We regret selling a billionaire short.

<sup>2</sup> Ligon was a 2012 Democratic Convention speaker. All his money went to lost causes except for the \$20,000 total he gave to new Rep. Cesar Blanco and the House Democratic Campaign Committee.

<sup>3</sup> "Tesla Faces Steep Path to Sell Cars Directly to Texans," Associated Press, *Dallas Morning News*, December 8, 2014.