

MADA News

MADA Regional Meetings

MADA staff is hitting the road in late June to meet with members and discuss important issues and concerns.

“Next year is going to be a big year,” stated MADA Executive Vice President Scott Lambert. “We are planning major updates to our Franchise law and other dealer statutes, and we want to get members’ input.”

MADA senior staff is planning a seven-city tour June 20-27, to discuss updates to the Motor Vehicle Franchise Act, relay new advertising standards, report on our property crime’s initiative, and talk about other issues important to MADA members.

This is a great opportunity for members to discuss priority issues with the legal and legislative staff of MADA.

Members are encouraged to RSVP and attend a regional meeting near them:

Location	Day/Date	Time
Duluth	Monday, June 20th	10am-noon
Rochester	Tuesday, June 21	10am-noon
St. Cloud	Wednesday, June 22	9am-11am
Detroit Lakes	Wednesday, June 22	3:30pm-5:30pm
Roseville	Friday, June 24	9am-11am
Mankato	Monday, June 27	9am-11am
Marshall	Monday, June 27	3:30pm – 5:30pm

For meeting details and to register, go to: http://bit.ly/MADA_ontheroad

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- Ban on Misleading Warranty Ads
- MADA Property Crimes Initiative
- Help Us PAC It in

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upcoming events

- jun 15 Title Basics Brainerd
- jul 12 Certified Title Minneapolis
- jul 12 Title Basics Minneapolis

visit
www.mada.org
for details, registration
and a complete list of
Upcoming Events and
Training



Political News

Help Us PAC It in!

With the Legislature winding down, elected officials will turn their attention to the 2016 General Election when all 201 state legislators will be up for re-election, as will the eight members of Minnesota's congressional delegation.

MADA is effective in both St. Paul and D.C. not only because of our effective lobbying and grassroots, but also because we help support pro-dealer political candidates through our political action committees (PAC): the Committee of Automotive Retailers (CAR) at the state level and the NADA PAC (formerly known as DEAC: Dealers Election Action Committee) at the federal level. Running for office has become an increasingly expensive endeavor, and candidates need significant resources to run a compelling campaign.

Our PACs help us to elect officials who want to work with the industry, not against it. In 2017, MADA hopes to pursue significant changes to the Minnesota Motor Vehicle Franchise Protection Statute. During this election cycle, we need to support the election of candidates who are willing to champion our efforts, making your donations to our PACS more valuable than ever.

Watch your mailbox: contribution requests will be sent to dealer principals in the coming weeks. Please respond with a donation so we can continue to keep pro-dealer majorities in St. Paul and Washington.



The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.

President

Mike Saxon, Inver Grove Ford Lincoln, Inver Grove Heights

President-Elect

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Peter Kolar, Kolar Toyota Scion, Duluth

Executive Vice President

Scott Lambert, MADA Executive Vice President

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Services News

Modified Installment Sales Contracts Coming

Certain retail installment sales contracts forms that you buy from MADA Services are changing. The "Late Fee" contracts and the "Late Fee with Arbitration" contracts are being revised with a number of mandatory market changes. The current versions will not be available after May 31, 2016.

The new versions will require some programming changes. Please contact MADA Services at 651-291-2400 to get samples of the new contracts for programming.

Legal News

Steering Committee Bans Misleading Warranty Ads

The Automotive Advertising Steering Committee met in April and adopted major changes to the Minnesota Advertising Standards. MADA announced the more significant change last month. It pertains to conditional pricing.

However, the Steering Committee also adopted a new standard relating to dealer warranties. The new standard focuses on power train versus factory warranty coverage claims which might well cause consumer confusion. The new Standard 20 provides as follows:

20. Dealer Warranties. If a dealer advertises warranty coverage that provides for less coverage than a typical factory “bumper to bumper” warranty, the advertisement shall clearly and conspicuously disclose the limitation in immediate conjunction with the prominent warranty reference. For example “All our cars come with a 5-Year Powertrain Warranty” - not “All our cars come with a 5-Year Warranty.”

Look to the BBB Code of Advertising for additional guidance on warranty advertising.

For more information about the new standards, browse to the Advertising Standards Landing Page on the MADA web site here: <http://bit.ly/MADA-BBB-adstandards>

Legislative News

Governor Signs MADA Export Bill into Law

Both the Minnesota Senate and House of Representatives voted unanimously to approve MADA's top legislative priority: prohibiting manufacturers from taking adverse action against dealers who sell a vehicle that ends up being exported or resold for export, when the dealer had no reasonable way to know that would happen if the vehicle is titled and registered in the U.S.

Without this prohibition, Minnesota dealers have faced significant penalties from carmakers who have withheld incentives or charged back dealers

when the VIN of a vehicle they recently sold ends up overseas. Lawmakers were sympathetic to dealers who were being held responsible for the lawful conduct of their customers.

This change will become effective August 1, 2016. Thank you to the MADA members who shared their experiences and helped inform the case we put forward to policymakers.

Legal News

MADA Joins Special Assessment Appeal to MN Supreme Court

MADA's Executive Committee has approved joining as Amicus Curiae ("friend of the court") an appeal to the Minnesota Supreme Court regarding a case that could have a far-reaching effect, and significant financial impact, on Minnesota dealers.

This past March, the Minnesota Court of Appeals issued two separate opinions holding that a Minnesota city has the power to levy special assessments against property owners (in this case - landowners adjacent to a freeway

interchange) to fund improvements to interstate and highway interchange projects. This case radically expands a city's power to assess for construction projects, even when those projects are not "local" in nature.

If you are interested in learning more about this case, or MADA's role in the appeal, please contact Associate Counsel Dan Louismet.

A link to the full case can be found at: http://bit.ly/MADA_SCappeal

Legal News

MADA Property Crimes Initiative

MADA is gathering data on property crimes being perpetrated at dealerships. This data will be collected over the next several months and be used to gain a better understanding of the problem so we can seek solutions to help prevent thefts.

For property crimes taking place May 1, 2016 and after, MADA is asking all dealerships that are victims of these crimes to report them directly to Associate Counsel Dan Louismet via phone or email. Specifically, MADA would like to know:

1. Dealership name, date, time, and location of the crime within the dealership (i.e. back lot, front display, etc.);
2. Year, make, and model of the vehicle(s) hit;
3. Specific items stolen (tires/wheels, tailgates) and their fair market value; and
4. Police reports and police contact information (if available).

This information can be reported via email at louismet@mada.org or by calling Dan directly at (651) 789-2948. If anyone has any immediate questions or concerns regarding this request, or about property crimes in general, please do not hesitate to contact Dan.

NOTE: This does not replace your responsibility to report each theft to your local law enforcement agency.

Minnesota Auto Outlook

Released by:
**Minnesota Automobile
Dealers Association**

Covering the Minnesota automotive market

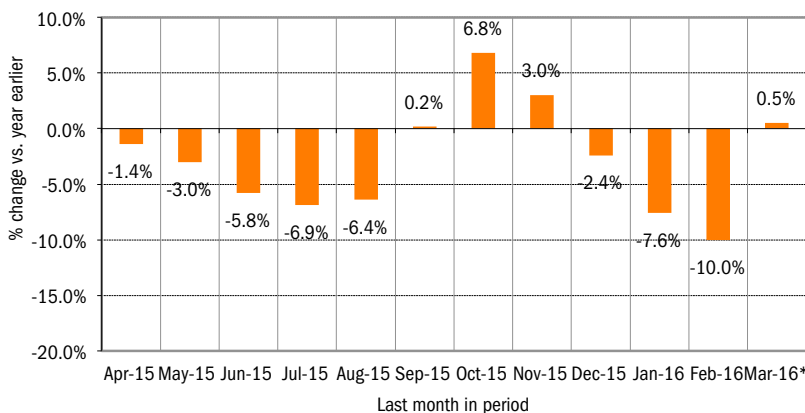
Data thru March 2016

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru March			YTD Market Share		
	2/15 & 3/15	2/16 & 3/16*	% change	2015	2016	% change	2015	2016	change
	Industry Total	30,250	30,824	1.9%	45,881	46,094	0.5%		
Cars	10,479	9,639	-8.0%	15,702	14,076	-10.4%	34.2	30.5	-3.7
Light Trucks	19,771	21,185	7.2%	30,179	32,018	6.1%	65.8	69.5	3.7
Japanese Brands	10,069	10,194	1.2%	15,322	15,403	0.5%	33.4	33.4	0.0
Toyota	3,458	3,495	1.1%	5,266	5,394	2.4%	11.5	11.7	0.2
Honda	2,533	2,738	8.1%	3,790	3,954	4.3%	8.3	8.6	0.3
Nissan	1,769	1,718	-2.9%	2,625	2,550	-2.9%	5.7	5.5	-0.2
Other	2,309	2,243	-2.9%	3,641	3,505	-3.7%	7.9	7.6	-0.3
Domestic Brands	16,620	17,077	2.7%	25,177	25,538	1.4%	54.9	55.4	0.5
General Motors	7,017	7,087	1.0%	10,683	10,819	1.3%	23.3	23.5	0.2
Ford	5,831	5,912	1.4%	8,796	8,676	-1.4%	19.2	18.8	-0.4
Chrysler	3,748	4,048	8.0%	5,647	5,984	6.0%	12.3	13.0	0.7
Other	24	30	25.0%	51	59	15.7%	0.1	0.1	0.0
European Brands	1,747	1,854	6.1%	2,591	2,663	2.8%	5.6	5.8	0.2
Volkswagen	815	818	0.4%	1,156	1,149	-0.6%	2.5	2.5	0.0
BMW	424	494	16.5%	688	710	3.2%	1.5	1.5	0.0
Mercedes	310	293	-5.5%	433	406	-6.2%	0.9	0.9	0.0
Other	198	249	25.8%	314	398	26.8%	0.7	0.9	0.2
Korean Brands	1,814	1,699	-6.3%	2,791	2,490	-10.8%	6.1	5.4	-0.7

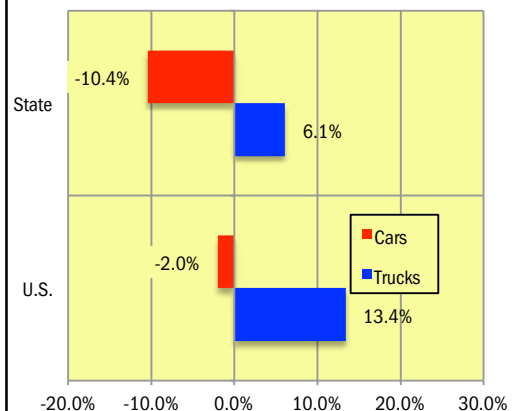
Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, Jeep, and Ram). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, and Subaru). European: VW (Audi, Bentley, Porsche, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (Alfa Romeo, Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia. *Figures for March 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. *Figures for March 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '16 thru March* vs. YTD 15



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. *Figures for March 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale transactions. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. Data Source: IHS Automotive.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '15 thru Mar.	YTD '16 thru Mar.*	% change	YTD '15 thru Mar.	YTD '16 thru Mar.*
TOTAL	45,881	46,094	0%		
Acura	323	270	-16%	0.7%	0.6%
Audi	346	360	4%	0.8%	0.8%
BMW	567	609	7%	1.2%	1.3%
Buick	904	861	-5%	2.0%	1.9%
Cadillac	327	237	-28%	0.7%	0.5%
Chevrolet	7,449	7,750	4%	16.2%	16.8%
Chrysler	920	720	-22%	2.0%	1.6%
Dodge	1,222	1,343	10%	2.7%	2.9%
FIAT	31	30	-3%	0.1%	0.1%
Ford	8,539	8,422	-1%	18.6%	18.3%
GMC	2,003	1,971	-2%	4.4%	4.3%
Honda	3,467	3,684	6%	7.6%	8.0%
Hyundai	1,256	1,046	-17%	2.7%	2.3%
Infiniti	196	146	-26%	0.4%	0.3%
Jaguar	13	7	-46%	0.0%	0.0%
Jeep	1,833	1,957	7%	4.0%	4.2%
Kia	1,535	1,444	-6%	3.3%	3.1%
Land Rover	137	156	14%	0.3%	0.3%
Lexus	546	607	11%	1.2%	1.3%
Lincoln	257	254	-1%	0.6%	0.6%
Mazda	917	832	-9%	2.0%	1.8%
Mercedes	431	404	-6%	0.9%	0.9%
MINI	121	101	-17%	0.3%	0.2%
Mitsubishi	493	553	12%	1.1%	1.2%
Nissan	2,429	2,404	-1%	5.3%	5.2%
Other	37	29	-22%	0.1%	0.1%
Porsche	65	69	6%	0.1%	0.1%
Ram	1,672	1,964	17%	3.6%	4.3%
Subaru	2,228	2,118	-5%	4.9%	4.6%
Tesla	36	50	39%	0.1%	0.1%
Toyota	4,720	4,787	1%	10.3%	10.4%
Volkswagen	745	720	-3%	1.6%	1.6%
Volvo	116	189	63%	0.3%	0.4%

Data source: IHS Automotive.

Top ten ranked brands in each percent change category are shaded green.

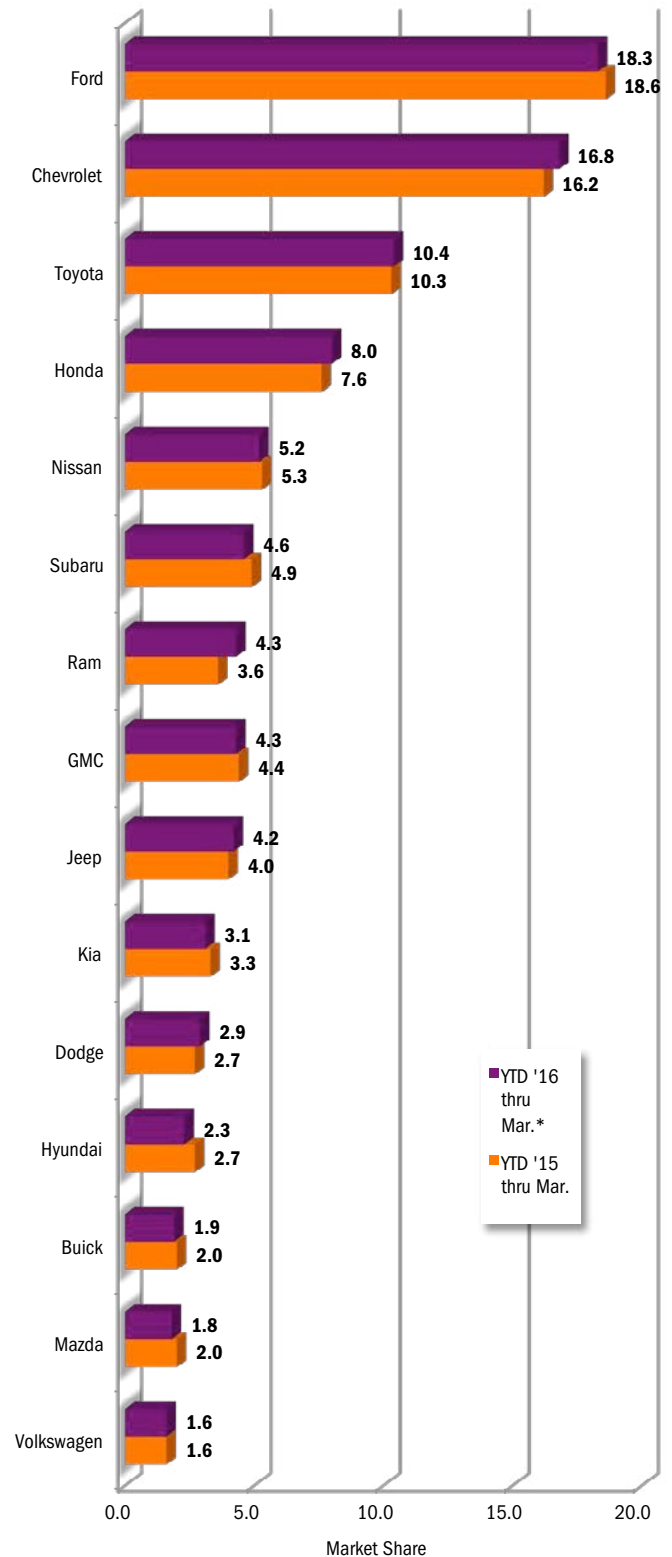
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State Market Share for Top 15 Selling Brands
YTD '16 thru March* vs. YTD '15



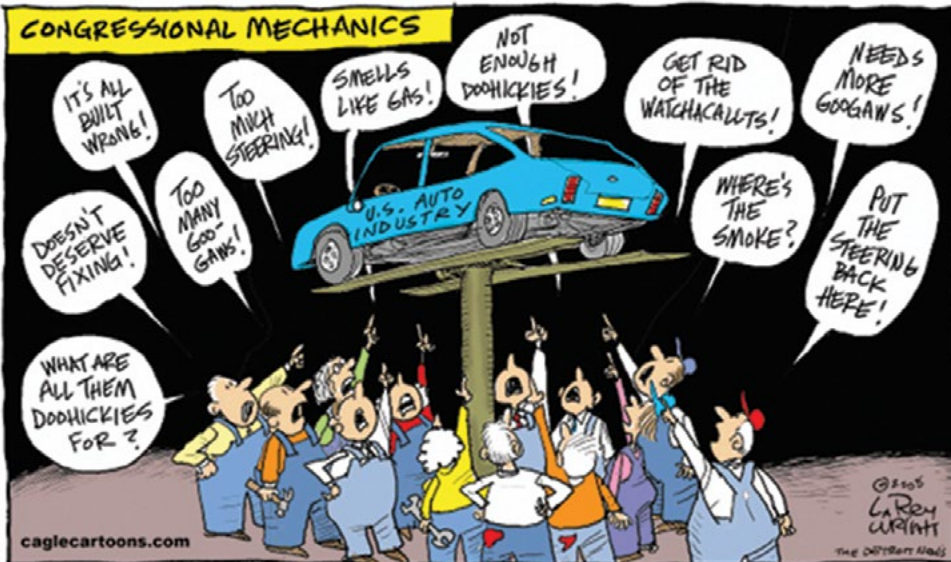
Data source: IHS Automotive.

*Figures for March 2016 were estimated by Auto Outlook.

Member News

Congratulations to **Maday Motors** which is celebrating 70 years in business this month. **Paul and Denny Maday** are the second generation to operate the **Chrysler Dodge Jeep Ram** dealership located in New Ulm, Minnesota.

visit us online at
www.mada.org



MADA
Minnesota Automobile Dealers Association

Endorsed Service & Vendors

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FIS / Certegy

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Computerized Vehicle Registration
CVR

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F&I Products
Protective

Fleet Fueling Program
SuperAmerica

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Blue Cross Blue Shield of MN
Delta Dental
ReliaStar Life

Hole-In-One Insurance
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LED Supply Company

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Innovative Office Solutions

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ComplyNet Corporation

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Identity Theft Shield &
Pre-Paid Legal Services

Uniforms and Linen Services
AmeriPride Linen & Apparel
Services

Workers Compensation
Ensure Agency

MADA
Services Incorporated

MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to www.mada.org

ADVOCACY ▪ EXPERTISE ▪ EDUCATION ▪ COMMUNICATION

MADA NEWS ▪ May 2016

FAQ

Q: I heard that it's illegal to ask a job applicant whether they were ever convicted of a crime. Is that true?

A: That's not exactly true. You can still ask about violations, but you need to wait until later in the hiring process. Minnesota passed a law effective in 2014 called "Ban the Box." The law prohibits questions about criminal history - including traffic violations - from appearing on employment applications. Instead, private employers in Minnesota must wait until the job applicant has been selected for an interview or a conditional offer of employment has been extended before asking about their criminal record or conducting a criminal background check.