

Legislative News

Rochester Legislator Promoting Repeal of Sunday Closing Law

Without any advance notice, Representative Tina Liebling (DFL-Rochester) introduced House File 347 on January 26 to repeal laws prohibiting Sunday sales of both alcohol and automobiles.

Since then, dealers and their employees from around the state have been bombarding Liebling's office with phone calls and e-mails to voice their displeasure. In fact, the seven dealers in Rep. Liebling's backyard sent a joint letter expressing their dismay and requesting that Liebling withdraw the bill. Despite the heavy opposition from her dealer constituents and affected businesses around the state, Liebling is steadfastly standing by her legislation.

Fortunately, Liebling's legislative colleagues are not following her lead. Only one other House member, Representative Barb Yarusso (DFL-Shoreview), has signed onto the bill. Nor has anyone in the Senate so far agreed to author the companion file.

Representative Liebling, who has supported reams of government regulation during her legislative career, insists that the existing law violates free-market principles and should be overturned. Furthermore, she claims that the penalties for violating the Sunday closing law are "outrageous," as offending dealers will be sent to jail (which is highly unlikely considering the first offense is a misdemeanor.) Arguments about the practical implications of overturning the law and the inconveniences for consumers who may need insurance or financing do not impress her. In a meeting with MADA staff, Liebling could identify no public support for the bill beyond individuals who submit comments on the *Star Tribune* website, where a story on her bill was featured!

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Auto Ads in Focus

It's critical that dealers, their employees and families call their own legislators.

upcoming events

mar 7-15 Twin Cities Auto Show
Minneapolis

mar 10 Legislative Reception
Twin Cities Auto Show

mar 12 Council Preview & Reception
Twin Cities Auto Show

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

Sunday Closing... *continued from cover*

What Next?

MADA is not taking anything for granted. Twelve bills allowing some form of Sunday sales of alcohol have been introduced, any of which would provide a means for adding an amendment to allow Sunday sales of cars. Even without any individual Sunday liquor bills moving, the Legislature annually considers an "omnibus liquor bill" to which Sunday sales amendments could be relevant.

As a result, it's critical that dealers, their employees and families not only call Representatives Liebling and Yarusso, but also their own senators and representatives to let them know how adamantly opposed over 18,000 Minnesotans are to Sunday auto sales.

To identify who represents you in St. Paul, go to: <http://www.gis.leg.mn/OpenLayers/districts/>

Legal News

OSHA Inspectors Out in Force

MADA has informal reports that Minnesota automobile dealers are the target of an OSHA inspection blitz. Perhaps five percent of Minnesota dealers could see random inspections.

We're told that lift safety is an important point of emphasis. OSHA uses what's known as the "General Duty Clause," which is a catch-all for unsafe working conditions, as an enforcement tool for lift safety. Lift safety citations are almost always "serious violations" which means that the workplace hazard could cause an accident that would most likely result in death or serious physical harm. Without a specific standard to point to, OSHA recommends that lift hazards can be effectively controlled with proper lift maintenance and effective training for employees on inspection and use of the automotive lifts. Start by following the manufacturer's specific maintenance, adjustment and lubrication recommendations in the owner's manual for each lift. Maintenance procedures and frequencies vary for different styles and brands of vehicle lifts.

Also, make sure your various OSHA written notifications are in place and up to date. The usual suspects include AWAIR, Right-to-Know and Respiratory Protection.

If you need help creating these programs, training for them or documenting your compliance, please contact the MADA-endorsed OSHA and EPA compliance people at ComplyNet.

If you missed the Collision and Service Council's webinar on this topic, the recording is available and well-worth the \$49.

To order, go to <http://bit.ly/MADAManuals>, or contact denise@mada.org. OSHA webinars brought to you by the Council include:

- OSHA Illness and Injury Recordkeeping - \$49*
- OSHA New Chemical Labeling and Safety Data Sheet Format - \$49*
- OSHA and your automotive lift - \$49*

*There is no charge to Council members for the first copy of the above webinars.



Minnesota Automobile Dealers Association

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

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NADA Convention Report

Although native San Franciscans bundled up for the 40 to 60 degree weather, Minnesotans found the climate a nice respite from the cold Midwestern winter as the NADA Convention landed in California in late January.

The NADA Convention reflected the US car economy as it grew from the previous year and was back to full strength. NADA reported over 23,000 registrations, and a waiting list of 30 companies seeking exhibit space. The Convention featured Florida Governor Jeb Bush as the keynote for the first day's General Session. Jay Leno entertained a standing room only crowd on the second day.

Minnesotans, as always, made their own impact. NADA Director Paul Walser and MADA Executive Vice President Scott Lambert spent two days prior to the convention in board meetings with their respective colleagues from around the Country.

Mankato dealer, Todd Snell, represented Minnesota as our nominee for the prestigious TIME Quality Dealer of the Year Award.

The new format for the four-day convention has everything running from Thursday through Sunday. It has traditionally been Friday through Monday. Unfortunately, this had a bad effect on MADA's Sunday brunch as many people returned home Sunday morning. Since this will be the format for the next several years, MADA will have to re-examine its plans for hosting a gathering at NADA.

Next year's NADA Convention is scheduled for March 31-April 3, 2016 in Las Vegas.



Advertising Issues In Focus



NADA Responds to FTC enforcement actions with training.

The last three years were unprecedented for the number and visibility of Federal Trade Commission enforcement actions against automobile dealer advertising. The FTC brought more than 20 enforcement actions in the auto marketplace.

Most recently Billion Auto, a chain of 20 stores in Iowa, Montana, and South Dakota, agreed to pay \$360,000 to settle charges that they violated a previous order prohibiting Billion Auto from misrepresenting material costs and terms of vehicle finance and lease offers.

In an effort to improve dealer advertising compliance, the National Automobile Dealers Association published a comprehensive Management Guide addressing Federal Advertising Requirements, which can be found at: <http://bit.ly/1zI3OnG>.

This is an excellent new dealer compliance tool that fits nicely with the MADA and GMADA sponsored Better Business Bureau Minnesota Advertising Standards and the BBB "Prior to Publication" program.



BBB 2014 Advertising Report Enclosed

The Better Business Bureau reports that Minnesota new car dealers had a strong year for both advertising compliance and consumer complaint resolution. The BBB's 2014 year-end report is enclosed. Here are a few highlights:

- **Advertising Review.** The BBB made a total of 150 advertising-related contacts to 118 different auto dealers in 2014. In 94 of these cases, the Bureau utilized volunteer secret shoppers to test advertising claims and help determine whether clarification was necessary.
- **Prior-to-Publication.** The Bureau provided free Prior-to-Publication Advertising Review of 350 different pieces of proposed advertising sent to them by dealers, a 171% increase in use of this service from 2013.
- **Auto Dealer Consumer Complaints.** Consumers filed 256 reportable complaints against new car dealers through BBB in 2014, down 2.6% from 2013. The BBB notes this is the third year in a row that complaints have decreased against continued sales growth.
- **Complaint Resolution.** New car dealers maintain one of the highest complaint resolution rates among industries served by BBB – 99.29% in 2014.

The contact person at the BBB for dealer advertising issues and Prior-to-Publication review is Advertising Liaison Steve Farr. Steve may be reached at 651-695-2430 or steve.farr@thefirstbbb.org

visit us online at
www.mada.org

Minnesota Auto Outlook

Released by:
**Minnesota Automobile
Dealers Association**

Covering the Minnesota automotive market

Data thru December 2014

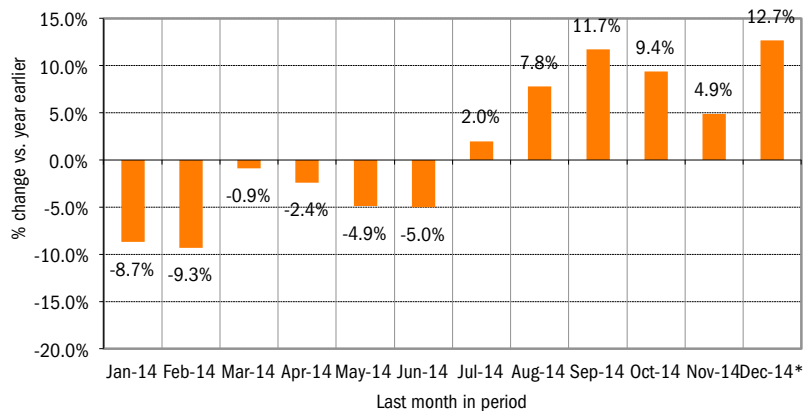
Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru Dec*			YTD Market Share (thru Dec)*		
	11/13 & 12/13	11/14 & 12/14*	% change	2013	2014	% change	2013	2014	change
	Industry Total	35,000	41,274	17.9%	204,590	216,524	5.8%	40.7	36.5
Cars	12,496	13,253	6.1%	83,346	79,009	-5.2%	59.3	63.5	4.2
Light Trucks	22,504	28,021	24.5%	121,244	137,515	13.4%	33.9	34.9	1.0
Japanese Brands	11,686	13,734	17.5%	69,421	75,519	8.8%	12.9	12.5	-0.4
Toyota	4,394	5,002	13.8%	26,406	27,105	2.6%	9.2	9.2	0.0
Honda	3,145	3,472	10.4%	18,872	19,853	5.2%	5.2	5.3	0.1
Nissan	1,690	2,122	25.6%	10,612	11,418	7.6%	6.6	7.9	1.3
Other	2,457	3,138	27.7%	13,531	17,143	26.7%	52.2	52.9	0.7
Domestic Brands	18,813	22,631	20.3%	106,809	114,481	7.2%	22.0	21.6	-0.4
General Motors	7,858	9,522	21.2%	44,967	46,665	3.8%	19.2	18.2	-1.0
Ford	7,111	7,610	7.0%	39,321	39,410	0.2%	10.9	13.0	2.1
Chrysler	3,801	5,451	43.4%	22,318	28,202	26.4%	0.1	0.1	0.0
Other	43	48	11.6%	203	204	0.5%	6.8	6.0	-0.8
European Brands	2,379	2,509	5.5%	13,880	12,985	-6.4%	3.3	2.9	-0.4
Volkswagen	1,083	1,114	2.9%	6,738	6,260	-7.1%	1.7	1.5	-0.2
BMW	607	682	12.4%	3,523	3,171	-10.0%	1.0	1.0	0.0
Mercedes	424	441	4.0%	2,000	2,157	7.9%	0.8	0.6	-0.2
Other	265	272	2.6%	1,619	1,397	-13.7%	7.1	6.3	-0.8
Korean Brands	2,122	2,400	13.1%	14,480	13,539	-6.5%			

Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, and Jeep). 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 (Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.

*Figures for December 2014 were estimated by Auto Outlook. Data Source: Polk.

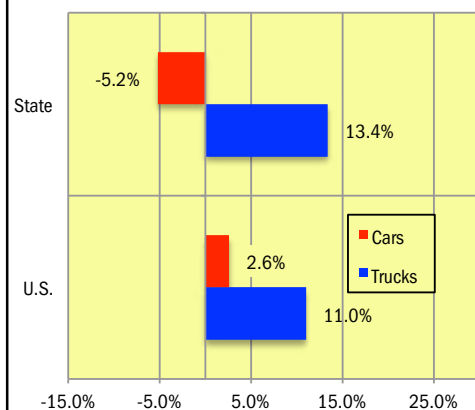
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



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 December 2014 were estimated by Auto Outlook. Data Source: Polk.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '14 thru December* vs. YTD '13



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets.

*Figures for December 2014 were estimated by Auto Outlook. Data Source: Polk.

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: Polk.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '13 thru Dec	YTD '14 thru Dec*	% change	YTD '13 thru Dec	YTD '14 thru Dec*
TOTAL	204,590	216,524	6%		
Acura	1,605	1,685	5%	0.8%	0.8%
Audi	1,481	1,747	18%	0.7%	0.8%
BMW	2,814	2,636	-6%	1.4%	1.2%
Buick	4,023	4,161	3%	2.0%	1.9%
Cadillac	1,610	1,457	-10%	0.8%	0.7%
Chevrolet	31,866	32,812	3%	15.6%	15.2%
Chrysler	3,849	3,635	-6%	1.9%	1.7%
Dodge	6,590	6,923	5%	3.2%	3.2%
FIAT	309	271	-12%	0.2%	0.1%
Ford	38,190	38,111	0%	18.7%	17.6%
GMC	7,468	8,340	12%	3.7%	3.9%
Honda	17,267	18,164	5%	8.4%	8.4%
Hyundai	6,855	6,223	-9%	3.4%	2.9%
Infiniti	881	914	4%	0.4%	0.4%
Jaguar	57	66	16%	0.0%	0.0%
Jeep	5,745	9,566	67%	2.8%	4.4%
Kia	7,625	7,346	-4%	3.7%	3.4%
Land Rover	389	339	-13%	0.2%	0.2%
Lexus	2,192	2,392	9%	1.1%	1.1%
Lincoln	1,131	1,164	3%	0.6%	0.5%
Mazda	4,260	4,451	4%	2.1%	2.1%
Mercedes	1,974	2,142	9%	1.0%	1.0%
MINI	709	536	-24%	0.3%	0.2%
Mitsubishi	1,172	2,149	83%	0.6%	1.0%
Nissan	9,731	10,519	8%	4.8%	4.9%
Other	259	199	-23%	0.1%	0.1%
Porsche	219	270	23%	0.1%	0.1%
Ram	6,134	8,122	32%	3.0%	3.8%
Subaru	8,010	10,508	31%	3.9%	4.9%
Tesla	109	107	-2%	0.1%	0.0%
Toyota	24,214	24,669	2%	11.8%	11.4%
Volkswagen	5,038	4,246	-16%	2.5%	2.0%
Volvo	814	654	-20%	0.4%	0.3%

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

*Figures for December 2014 were estimated by Auto Outlook.

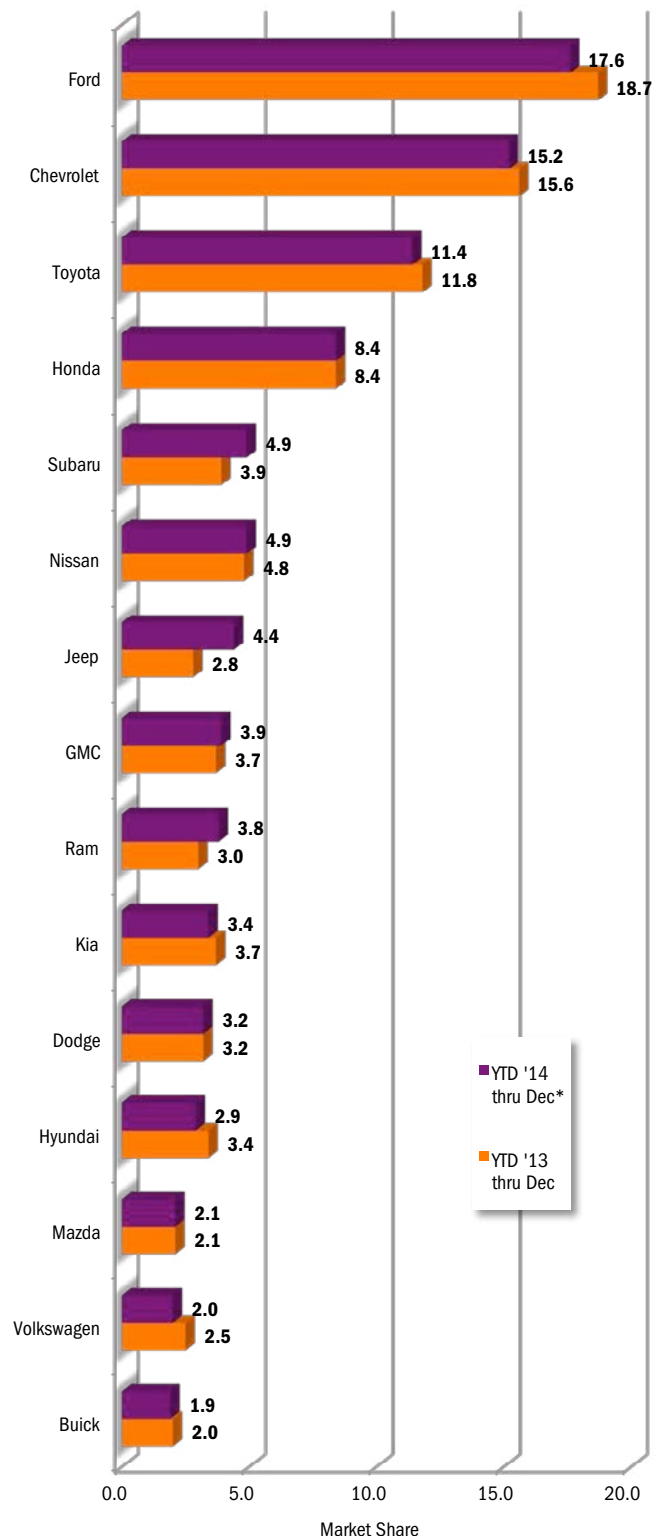
Source: Polk

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State Market Share for Top 15 Selling Brands
YTD '14 thru December* vs. YTD '13



*Figures for December 2014 were estimated by Auto Outlook.

Source: Polk.

Member News

Kemna-Asa Auto Plaza in Jackson will now be doing business as **Asa Auto Plaza** as dealer **Todd Asa** became the sole owner.

Wilcox Chevrolet Cadillac of Forest lake will now be doing business as **Forest Lake Chevrolet Cadillac. Wilcox Automotive, LLC** will now be doing business as **Forest Lake Chrysler Dodge Jeep and RAM.**

Lager's Inc. in Saint Peter, will be celebrating its 50-year Anniversary. Congratulations to **Kip Lager**, family and staff on achieving this milestone.

MADA News

New MADA Services Staff

MADA Services has added several new members to the team over the past few months. Please join us in welcoming them to MADA!



Sarah Cleveland joined the team in September as our Purchasing Expeditor.



Jenny Stewart came on board in January as our Customer Service Representative.



Darlene "Pete" Ewald started in December as our part-time Receptionist.



Sarah "Sam" Woitalla also started in January as our Accounting Manager. She will be replacing

Teresa Engstrom, who is retiring after 16 years with MADA.



Endorsed Service & Vendors

*Computerized Vehicle Registration
CVR*

*F&I Products
Protective*

*Dealership Marketing
Visible Customer*

*Group Health Insurance
Blue Cross Blue Shield of MN
Delta Dental
ReliaStar Life*

*Workers Compensation
Ensure Agency*

*Dealer Bond Program
Ensure Agency*

*Collections
Springer Collections*

*Check Guarantee/Credit Card Processing
FIS / Certegy*

*Disability Income Insurance & Section 125
Cafeteria Plans
American Fidelity Assurance*

*OSHA, EPA & DOT Compliance/Training
ComplyNet Corporation*

*Fleet Fueling Program
SuperAmerica*

*Office Supplies
S & T Office Products*

*Uniforms and Linen Services
AmeriPride Linen & Apparel
Services*

*Hole-In-One Insurance
Hole-In-One-USA*

*Pre-Paid Legal, Jim Gavin
Identity Theft Shield &
Pre-Paid Legal Services*



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 ▪ February 2015

FAQ

Q: Certain things are private and shouldn't be shared with fellow employees. One of these private matters is salary or wages. We don't think employees should get together to share and compare how much they make. We would like to create a formal wage confidentiality policy, have all of our employees sign it and include it in our employee handbook. Can we do that??

A: No. Minnesota Statute §181.172 specifically prohibits an employer from instituting or enforcing such a wage confidentiality policy with its employees. Furthermore, at the federal level, the National Labor Relations Board prohibits such policies as chilling employees' rights to organize and collectively bargain.

MADA Wants to Know....

What dealer management system (DMS) do you use?

Go to the MADA website at <http://bit.ly/MADAquestion> to submit your answer. Survey totals will be published in the March issue of the MADA news.

New feature: Each month, MADA will be asking one question in order to help us find out what matters to you. Please take the time to answer so we can improve our programming and services and focus our efforts to best serve you, our valued members!