

Legislative News



Session Ends with Unfinished Business

Summer Special Session Coming. At the stroke of midnight on Tuesday, May 19, the 2015 legislative session came to an abrupt close with several items left unfinished. The divisions between the Republican House and Democratic Senate and governor delayed negotiations from progressing until the waning days of session, leaving insufficient time to get all of the budget bills agreed to and processed. Legislative leadership gave up on trying to find compromise on transportation and taxes altogether, funding only a “lights on” bill to keep the functions of the Departments of Transportation and Public Safety’s Driver and Vehicle Services operating.

The final negotiations between the House and Senate excluded Governor Dayton, who was disappointed with the package assembled for education. He has threatened a veto of the bill due to its lack of funding for universal pre-kindergarten and will call a Special Session to reopen the dialogue on school funding – and potentially other issues that were overlooked in the rush to finish the session by its constitutionally-mandated deadline.

MADA Subdues Threat of Sunday Auto Sales.

MADA’s top legislative priority – protecting the state’s Sunday Closing law for auto dealers – remained intact despite efforts from a handful of DFL legislators to tie it to the Sunday liquor sales debate. Beyond introduction of a House file lifting the Sunday auto sales prohibition, Representative Ron Erhardt (DFL-Edina) attempted to repeal the law during the House floor debate on the Omnibus Liquor Bill. MADA lobbyists were ready for such shenanigans – and had prepped House leadership and key chairs

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Tailgate Thefts Climb

Reminder on F&I Compliance

Hiring DREAMers

MADA’s top legislative priority – protecting the state’s Sunday Closing law for auto dealers – remained intact

upcoming events

jun 10 Title Basics
Brainerd

jun 19 NitroX Media Day
St. Cloud

jul 14 Certified Title
Minneapolis

jul 14 Title Basics
Minneapolis

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

Session Ends... *continued from cover*

to make a motion to rule the amendment non-germane to the liquor bill. Our efforts succeeded on a vote of 113-17, and the issue was put to bed for the remainder of the legislative session.

Many thanks to the MADA members and their employees who contacted their state legislators to keep Sunday auto sales from gaining any traction. Your calls and e-mails discouraged policymakers from giving the issue serious consideration during 2015.

Single License Plates Effort Stalled.

During the House debate on House File 4, the Omnibus Transportation Bill, Representative Joe Atkins (DFL-Inver Grove Heights) successfully added language to the bill allowing only one license plate to be displayed on the rear of a vehicle if it does not come with a factory installed front bracket mount. His amendment received little opposition after a broader single license plate amendment offered by Representative Phyllis Kahn (DFL-Minneapolis) failed handily due to vociferous opposition by legislators sympathetic to law enforcement.

MADA worked behind the scenes to include this provision in the final conference committee report on the bill, but when no agreement on transportation funding was reached, our efforts stalled. With the support of legislative leadership in both bodies, we looked for other bills into which to amend the single plate language. Unfortunately, those attempts were also thwarted when the clock ran out on the legislative session. With gained momentum, MADA is prepared to revisit the issue during the 2016 session and achieve passage.

Other MADA Priorities. Look to the MADA 2015 Session Review for updates on the many other issues that the association advocated and tracked on your behalf. Copies will be arriving in your mailbox in the coming weeks.



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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MADA News

MADA Services Team Grows



MADA Services is pleased to welcome Matt Folska to our sales team. Matt will be selling the CVR (Computerized Vehicle Registration) program to dealers in Minnesota. Matt spent the last 14 years as the Minnesota forms sales representative for the Reynolds + Reynolds Company.

Legal News

Completing Form 8300 Electronically

Dealers have reported cash transactions to the IRS for decades. These reports are used by the government to track individuals who evade taxes and those who profit from criminal activities.

Most dealers currently file the Form 8300 in paper form directly with the IRS. However, the government recently announced that a wide variety of businesses are now able to electronically file their Form 8300 reports using the “FinCEN” Electronic Filing (E-Filing) System.

The National Automobile Dealers Association Regulatory Affairs Group worked with federal agencies to clarify that the new electronic reporting tool would fully satisfy dealers’ compliance obligations. The IRS has confirmed to NADA that dealers nationwide may safely use this new transmission mechanism to file their

Form 8300s. In particular:

1. the IRS considers the FinCEN E-Filing system to be a permissible alternative to filing a paper Form 8300;
2. the date of filing will be the date of filing on the E-Filing system; and
3. the FinCEN E-Filing system provides a filing confirmation that can be printed out.

Dealers are not yet required to report electronically but mandatory electronic filing is certainly in our future. According to NADA, the ability to obtain written confirmation of the filing is particularly helpful for dealers, who have reported difficulty proving the specifics of an 8300 filing in the face of an IRS audit. More info here: <http://bsaeiling.fincen.treas.gov/main.html>

Legal News

Tailgate Thefts Climb

Dealers in the metro area are reporting a rash of tailgate theft from pickup trucks. The experience here in Minnesota reflects a national trend.

Tailgates have a rough life. They get rear-ended, backed into objects and dented by shifting cargo. That’s why thieves find a ready market for replacements, selling them on EBay and Craigslist.

The high cost of replacing tailgates has contributed to “black market demand.” A tailgate from a new or recent model year truck with an embedded backup camera and other electronics can cost several thousand dollars to replace.

According to statistics published by the National Insurance Crime Bureau the rate of tailgate theft claims has been increasing since 2009, with an 18 percent increase projected from 2011 to 2012. According to the Bureau’s statistics, Ford pickups are the most attractive target.

Many later model pickups come with a locking tailgate which is difficult to steal when in the locked position. For pickups without a locking gate, perhaps the simplest way to prevent tailgate theft is back the truck up against a building wall to limit access.



Legal News

Recent Litigation Highlights Lack of Disclosure

Good F&I compliance procedure has dealers generating a disclosure to their credit customers of the names and addresses of the lenders where the dealer is submitting the customer's credit application. The effect of this disclosure is to exempt the communications between the dealership and the lender from various Fair Credit Reporting Act provisions relating to consumer credit reports.

Some dealers use a separate form which shotguns the list showing 25 or 50 possible lenders where a credit application may be submitted. Other dealers print a targeted list from their DMS system showing only the names and addresses of the actual lenders where a

credit application was submitted for a particular customer.

Either approach is fine. But be careful: it's not sufficient to disclose only the lender which actually ended up financing the deal and failing to disclose others.

The failure to disclose the other lenders may not be actionable by a consumer in and of itself. However, omitting lenders from the list can be a powerful evidentiary tool for a consumer who is making a claim against a dealership for unauthorized pulls of their credit bureau.

MADA has seen a recent consumer lawsuit here in Minnesota making just such an allegation.

Legal News

New Phone Number For Dealer Unit

Please make a note. The new telephone number for the Minnesota Driver & Vehicle Services Dealer Unit is 651-201-7800. The old 2977 number has gone away.



Order the "Support our Troops" Plate (M.S. 168.1298) through your CVR program

Passenger Class Vehicles, one-ton pick-up trucks: Requires minimum \$30 annual contribution to special military families and veterans fund.

Minnesota Auto Outlook

Released by:
**Minnesota Automobile
Dealers Association**

Covering the Minnesota automotive market

Data thru March 2015

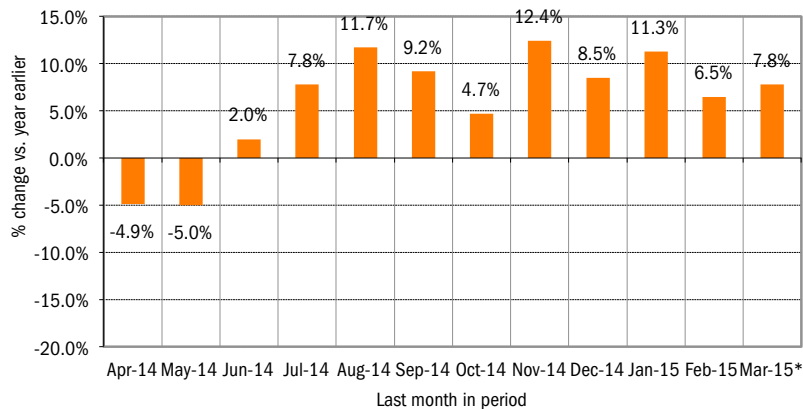
Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru March*			YTD Market share (thru March*)		
	2/14 & 3/14	2/15 & 3/15*	% change	2014	2015	% change	2014	2015	change
	Industry Total	30,713	32,486	5.8%	44,507	47,986	7.8%	36.2	34.4
Cars	11,397	11,336	-0.5%	16,112	16,508	2.5%	63.8	65.6	1.8
Light Trucks	19,316	21,150	9.5%	28,395	31,478	10.9%	34.0	34.5	0.5
Japanese Brands	10,640	11,322	6.4%	15,136	16,556	9.4%	11.7	11.9	0.2
Toyota	3,594	3,937	9.5%	5,220	5,731	9.8%	8.7	8.4	-0.3
Honda	2,704	2,759	2.0%	3,860	4,012	3.9%	5.7	5.6	-0.1
Nissan	1,806	1,834	1.6%	2,550	2,700	5.9%	7.9	8.6	0.7
Other	2,536	2,792	10.1%	3,506	4,113	17.3%	54.2	53.3	-0.9
Domestic Brands	16,406	17,090	4.2%	24,134	25,557	5.9%	22.2	22.3	0.1
General Motors	6,707	7,088	5.7%	9,859	10,722	8.8%	19.2	18.6	-0.6
Ford	5,767	5,969	3.5%	8,566	8,927	4.2%	12.8	12.2	-0.6
Chrysler	3,918	4,020	2.6%	5,677	5,868	3.4%	0.1	0.1	0.0
Other	14	13	-7.1%	32	40	25.0%	5.6	5.7	0.1
European Brands	1,767	1,924	8.9%	2,495	2,747	10.1%	2.8	2.7	-0.1
Volkswagen	924	927	0.3%	1,234	1,273	3.2%	1.3	1.5	0.2
BMW	401	462	15.2%	593	705	18.9%	0.9	0.9	0.0
Mercedes	263	314	19.4%	385	435	13.0%	0.6	0.7	0.1
Other	179	221	23.5%	283	334	18.0%	6.2	6.5	0.3
Korean Brands	1,900	2,150	13.2%	2,742	3,126	14.0%			

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, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.

*Figures for March 2015 were estimated by Auto Outlook. Data Source: IHS Automotive.

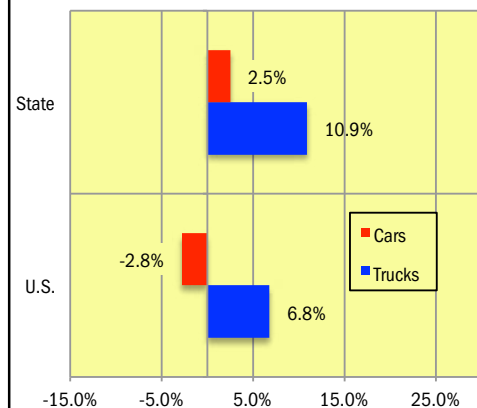
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



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 2015 were estimated by Auto Outlook. Data Source: IHS Automotive.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '15 thru Mar* vs. YTD 14



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

*Figures for March 2015 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 '14 thru Mar.	YTD '15 thru Mar.*	% change	YTD '14 thru Mar.	YTD '15 thru Mar.*
TOTAL	44,507	47,986	8%		
Acura	387	382	-1%	0.9%	0.8%
Audi	328	382	16%	0.7%	0.8%
BMW	490	549	12%	1.1%	1.1%
Buick	834	864	4%	1.9%	1.8%
Cadillac	301	313	4%	0.7%	0.7%
Chevrolet	6,938	7,473	8%	15.6%	15.6%
Chrysler	670	898	34%	1.5%	1.9%
Dodge	1,539	1,302	-15%	3.5%	2.7%
FIAT	48	40	-17%	0.1%	0.1%
Ford	8,299	8,655	4%	18.6%	18.0%
GMC	1,786	2,075	16%	4.0%	4.3%
Honda	3,473	3,631	5%	7.8%	7.6%
Hyundai	1,302	1,351	4%	2.9%	2.8%
Infiniti	208	221	6%	0.5%	0.5%
Jaguar	10	15	50%	0.0%	0.0%
Jeep	1,892	2,111	12%	4.3%	4.4%
Kia	1,440	1,744	21%	3.2%	3.6%
Land Rover	87	120	38%	0.2%	0.3%
Lexus	461	537	16%	1.0%	1.1%
Lincoln	267	261	-2%	0.6%	0.5%
Mazda	903	1,029	14%	2.0%	2.1%
Mercedes	380	416	9%	0.9%	0.9%
MINI	103	144	40%	0.2%	0.3%
Mitsubishi	492	548	11%	1.1%	1.1%
Nissan	2,342	2,507	7%	5.3%	5.2%
Other	51	46	-10%	0.1%	0.1%
Porsche	42	65	55%	0.1%	0.1%
Ram	1,576	1,558	-1%	3.5%	3.2%
Subaru	2,106	2,578	22%	4.7%	5.4%
Tesla	6	29	383%	0.0%	0.1%
Toyota	4,759	5,188	9%	10.7%	10.8%
Volkswagen	864	822	-5%	1.9%	1.7%
Volvo	123	132	7%	0.3%	0.3%

Data source: IHS Automotive.

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

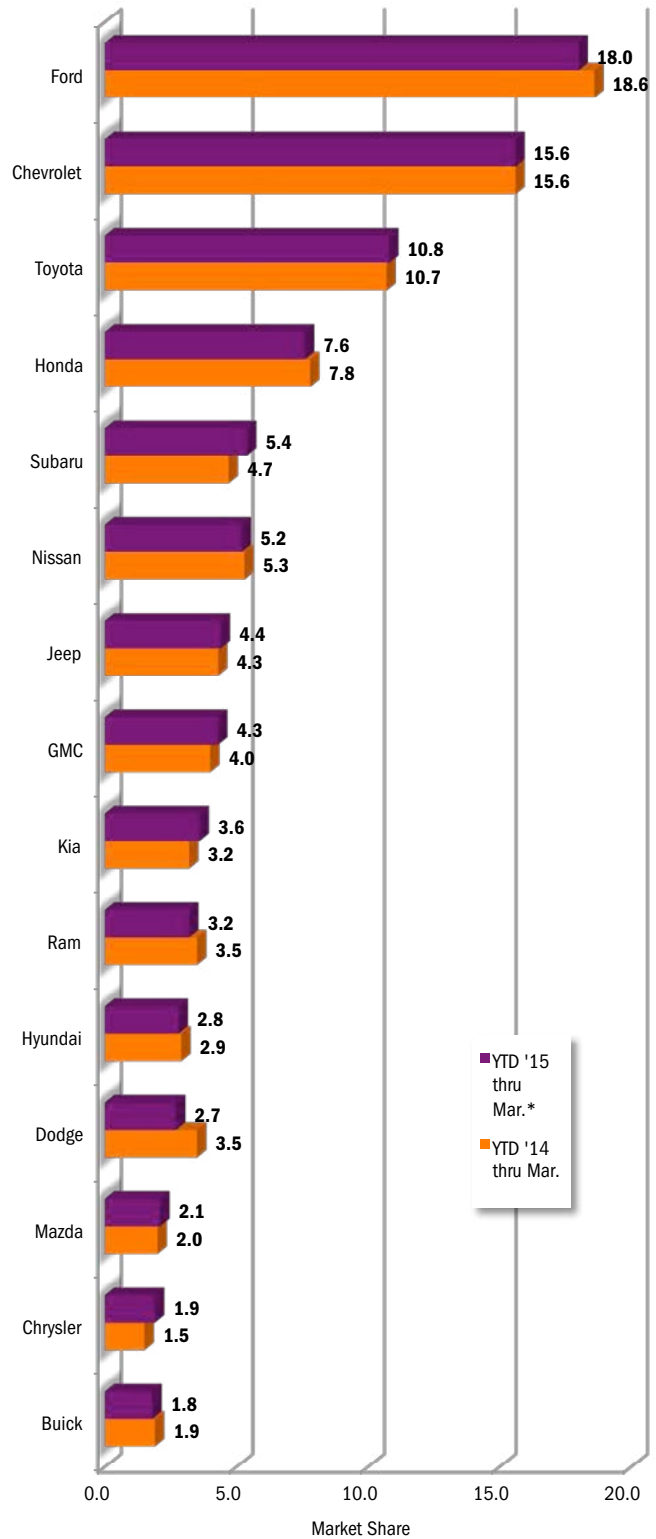
*Figures for March 2015 were estimated by Auto Outlook.

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



Data source: IHS Automotive.

*Figures for March 2015 were estimated by Auto Outlook.

Member News

Gordon Richard “Bud” Salem has passed away. Bud operated **Salem Motors** in Crookston for 48 years.

Donald Greenberg has passed away. Don had operated dealerships in Elk River and Anoka.

Bob Kruse, Parkview Ford in Montevideo has sold the dealership to **Bob Schwieters**. The dealership will be conducting business under the name of **Schwieters Ford of Montevideo**.

Tom Kadlec Honda, Rochester has moved into its new dealership location at 3333 Wilder Road NW in Rochester.

Congratulations to **Eden Prairie Nissan** as they celebrate their grand opening at 12790 Plaza Drive in Eden Prairie.

visit us online at
www.mada.org

FAQ

Q: Can we hire “DREAMers?”

A: “DREAMer” is a term used to describe an undocumented immigrant who was brought to the United States as a young child and has assimilated to U.S. culture and been educated by U.S. school systems. The name arose from a federal legislative proposal called the **D**evelopment, **R**elief, and **E**ducation for **A**lien **M**inors which is designed to provide these young people an opportunity to obtain legal residency.

Even though the DREAM proposal has not been enacted, the Obama administration utilized its own executive authority to implement some of the policy objectives of the DREAM proposal through administrative procedures. These new administrative procedures are controversial but may make it easier for some immigrants to obtain permission to work in the United States.

From an employer’s perspective, nothing has changed. All employees who are not US citizens must be documented with either a Permanent Resident Card (green card) or an Employment Authorization Card.



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 ▪ May 2015

MADA Wants to Know....

As reported on page 3, tailgate thefts from pick-ups are becoming more prevalent. Earlier this year, Hastings Ford had four tailgates stolen from Ford Super Duty trucks parked on their lot, each valued at approximately \$2,000. This month's question: Have you experienced any tailgate thefts in the past six months?

Go to <http://bit.ly/MADAquestion> to let MADA know.

All results will be collected anonymously and published in the June MADA newsletter.





Education Fax Registration

FAX REGISTRATION TO: 651-291-2894
Denise Anderson denise@mada.org

	Class Options	Circle Preferred Date	Location
Title Basics	Title Basics – Brainerd 9:30 a.m. - 11:30 a.m. \$199	June 10, 2015	Grand View Lodge 23521 Nokomis Avenue Nisswa, MN 56468
	Title Basics – Minneapolis 9:30 a.m. - 11:30 a.m. \$199	July 14, 2015	Doubletree by Hilton - Park Place 1500 Park Place Blvd Minneapolis, MN 55416

	Class Options	Circle Preferred Date	Location
The Certified Title & Registration Program	Sales Tax 9:00 a.m. - 10:00 a.m. \$129	July 14, 2015	Doubletree by Hilton - Park Place 1500 Park Place Blvd Minneapolis, MN 55416
	New to Fleet 10:30 a.m. - 12:30 p.m. \$129	July 14, 2015	
	Minnesota Titles and Transfers 1:00 p.m. - 3:00 p.m. \$129	July 14, 2015	

Name_____	Title_____
Name_____	Title_____
Dealership_____	Customer ID #_____
Address_____	
Phone_____	E-mail_____