

Legislative



2014 Session Summary: *Bulk Data (Yay!) and B10 Mandate (Boo!) to Continue*

The 2014 Legislative Session came to a close on Friday, May 16, after twelve, fast-paced weeks of work. MADA had an extremely aggressive agenda and succeeded in passing some of our top initiatives. Below is a recap of the highlights. Watch your mailbox for more detailed coverage in the 2014 Legislative Session Wrap Up, arriving at the end of the month.

Watch your mailbox for more detailed coverage in the 2014 Legislative Session Wrap Up, arriving at the end of the month.

10% Biodiesel (B10) Coming Soon to a Pump Near You

On July 1, 2014, all diesel fuel sold at retail in Minnesota must contain 10% biodiesel, a 5% increase from the current standard. This is great news for soybean farmers and the state's three biodiesel processing plants, but not for Minnesota dealers or their customers.

No passenger cars or light-duty pick-up trucks manufactured before 2011 are rated for use of biodiesel blends above 5%; only domestic cars and trucks made since then are designed for biodiesel use up to 20%. This means there are a number of vehicles on the road and in dealer lots that will not have access to the fuel that is optimal for their performance from July – September of this year and April – September in subsequent years.

MADA attempted, via legislation (SF 2215/HF 2441), to postpone the move to B10 until all vehicles registered in the state could utilize the fuel. Our attempts were thwarted by powerful agricultural interests; however, our efforts weren't in vain. Other portions of our proposal were enacted, such as limiting the months the B10 mandate would be in effect and delaying the 20% content mandate

2014 Session Summary... continued on page 3

inside

Bodywork Up in 2013

New Pregnancy Accommodations

Wage Survey Planned

upcoming events

Jul 8 Certified Title
Minneapolis

Jul 16 OSHA Inspections: "What to expect and lessons learned"
Webinar

Jul 17 Title Basics
Minneapolis

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

MADA News

MN Chamber Offers Incentives and Consulting for Efficiency Upgrades

Is your dealership considering any energy projects or new investments? The Minnesota Chamber of Commerce offers no-cost consulting to Minnesota businesses and organizations.

Among the programs offered by Waste Wise and Energy Smart are:

- Environmental Sustainability Consulting
- On-site Waste and Energy Visits
- Waste Stream Analysis (Waste Sort)
- Waste and Energy Utility Bill Analysis
- Project Investment Analysis
- Employee Training and Workshops

The program helped an MADA member sort out the best investment for his dealership. "Our lights were old and needed to be replaced," says Paul Strong, owner of Waconia Dodge. "We had a bid in hand for the upgrade but weren't sure how to secure a utility rebate for the project so we called Energy Smart." The company decided to go with a different lighting technology than its original bid

indicated. Energy Smart helped the company apply for the custom rebate.



Waconia Dodge installed 32 pole lights and seven wall packs to the exterior of the building.

The dealership's savings of 244,229 kWh on their project translated to an estimated annual savings of \$14,206--- in addition to a rebate check of \$22,304 from Xcel Energy.

The Chamber of Commerce also offers a grant program to help fund waste and energy efficiency projects. Contact Jill Curran to take advantage of Waste Wise and Energy Smart services, jcurran@mnchamber.com, (651) 292-4653.

For a list of the financial incentives available to Minnesota businesses for efficiency upgrades, see the website <http://bit.ly/1oYKvmK/>



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.

President

Morrie Wagener, *Morrie's Automotive Group, Minnetonka*

President-Elect

Greg House, *House Chevrolet, Stewartville*

Treasurer

Mike Saxon, *Inver Grove Ford Lincoln, Inver Grove Heights*

Secretary

Rick Jensen, *Jensen Motors, Inc., New Ulm*

Executive Vice President

Scott Lambert, *MADA*

200 Lothenbach Avenue • West St. Paul, MN 55118
Metro: 651-291-2400 • Toll Free: 800-652-9029
FAX: 651-291-2894 • Web site: <http://www.mada.org>

MADA News

Wage Survey

The MADA Board of Directors has commissioned a study of wages in the Minnesota market. This is an excellent opportunity for all members to be involved. All information is confidential.

The survey was sent to your dealership by email, so please contact ruth@mada.org if you have not received your copy. Wipfli will be compiling the information and providing results.

The information produced is only as good as the information that goes in it. So please take the time to have this survey filled out completely and return it to Wipfli by June 30, 2014.

The results will be returned to you as soon as possible. Only those who participate in the survey will receive the results.

2014 Session Summary... *continued from cover*
from 2015 to 2018.

Unfortunately, these changes will not help owners of most diesel cars and pick-ups overcome mechanical challenges they could face with the use of B10. Fuel filter plugging and engine damage caused by oil dilution may occur if customers do not stay on top of routine maintenance. MADA will soon be distributing more information to dealers about potential problems of using B10 when not approved by the manufacturer.

Bulk Access to Motor Vehicle Records Remains

MADA and other impacted stakeholders successfully lobbied legislators and Governor Dayton to continue bulk access to motor vehicle records (MVRs). Thank you to all of our members who contacted their legislators and the governor's office about the importance of this issue.

Before session began, the Department of Public Safety announced it was going to end distribution of MVRs in bulk. Without this information, dealers and consumers would not have access to vehicle histories, statistical data needed for business planning, nor timely communications about motor vehicle recalls.

The road to passage of Chapter 293 was a rocky one, with many twists and turns along the way. A face-to-face meeting with Governor Dayton compelled the department to reverse course, but getting agreement by all parties on authorizing language proved to be challenging. Ultimately, the bill that passed in the last days of session allows DPS to provide data in bulk and to charge a penny per record after Jan. 1, 2015. To ensure the data is protected from misuse, both the Legislative Auditor and newly-created Legislative Commission on Data Practices are charged with reviewing the security of state drivers' license and MVR data.

Shop Lien Law Updated MADA-initiated legislation to modernize Minnesota's shop lien law was enacted as Chapter 231. Under current

law, if dealers find themselves in possession of a vehicle for which repairs they did remain unpaid, the only way to sell the vehicle was through a sheriff's sale. With the new statute, dealers who are lienholders may sell the vehicle in the ordinary course of business after notice to the owner is provided by certified mail.

No More Lead Wheel Weights After Jan. 1, 2016, it will be illegal to sell or install wheel weight and tire balancing equipment made of lead. The Minnesota Pollution Control Agency (MPCA) instigated Chapter 277. As introduced, the bill would have been effective a year sooner and without outreach to impacted businesses. MADA persuaded lawmakers to delay the effective date and require the agency to educate businesses about alternative products before the lead prohibition goes into effect. This approach mirrors that taken by the six other states that have similar lead wheel weight bans on the books.

PartsTrader May Proceed A condensed legislative schedule and major opposition from the insurance industry prevented passage of legislation reining in PartsTrader (the required online parts bidding system of State Farm) and similar programs from insurers. However, our efforts definitely put the insurance companies on notice, as House Commerce Chair Joe Atkins (DFL-Inver Grove Heights) took the lead in trying to head off unreasonable demands made of repair and body shops by insurers. Over the interim, MADA's Collision and Service Council will continue to work with the Alliance of Automotive Service Providers (AASP) and state regulators to document and curb the abuses.

Enjoy Your Day Off Despite enormous amounts of media attention, bills allowing Sunday liquor sales never got any traction this session, keeping the prospect of Sunday auto sales at bay for at least another year.

Women's Economic Security Act Becomes Law

Governor Mark Dayton signed the Women's Economic Security Act (WESA) into law last month. WESA includes a number of changes to Minnesota law that are designed to break down barriers to economic progress for women. In addition to the creation of various grant programs, the new law sets out numerous changes to Minnesota's employment laws. Here are a few of the more significant changes.

New Pregnancy Accommodations

(Effective Now) Dealer HR departments are familiar with the concepts of "reasonable accommodation" and "undue hardship" which are central to the treatment of disabled employees under both federal and state law. WESA specifically extends that concept to pregnant women by providing that "[a]n employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth if she so requests. . . unless the employer demonstrates that the accommodation would impose an undue hardship" WESA then defines certain accommodations as not imposing an "undue hardship," including more frequent restroom, food, and water breaks, seating and limits on lifting over 20 pounds.

Increased Pregnancy Leave (Effective July 1, 2014) Pregnancy leave under Minnesota Law is increased from 6 to 12 weeks. This leave was and remains unpaid. WESA also includes a provision stating that an employer "may require an employee who plans to take a leave under this section to give the employer reasonable notice of the date the leave shall commence and the estimate of the duration of the leave."

Safety Leave (Effective July 1, 2014) Minnesota's sick leave law was amended to provide that employees may use sick leave provided by their employer for the purpose of "providing or receiving assistance because of sexual assault, domestic abuse, or stalking."

Wage Disclosure Protections (Effective July 1, 2014) – WESA makes it unlawful for an employer to prohibit employees from disclosing their wages. This law also prohibits an employer from taking "any adverse employment action" against an employee for "disclosing the employee's own wages or from discussing another employee's wages which have been disclosed voluntarily." Employers with employee handbooks are required to disclose the Wage Disclosure Protections in their handbooks.

Nursing Mothers Break Statute (Effective July 1, 2014) WESA expands employer obligations to provide a separate space for nursing mothers to express milk. Employers must now provide nursing mothers with a room or other location, "other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express her milk in privacy."

Equal Pay Certificate of Compliance for State Contractors (Effective August 1, 2014) WESA provides that, with certain exceptions, businesses with more than 40 employees seeking contracts of at least \$500,000 with the state must first obtain an "equal pay certificate of compliance" in order to do business with the state. This provision also provides that the state may audit the business's pay practices at any time to ensure that they are in compliance with equal pay laws.

Pregnancy leave under Minnesota Law is increased from 6 to 12 weeks

visit us online at
www.mada.org

Minnesota Auto Outlook

Released by:
**Minnesota Automobile
Dealers Association**

Covering the Minnesota automotive market

Data thru April 2014

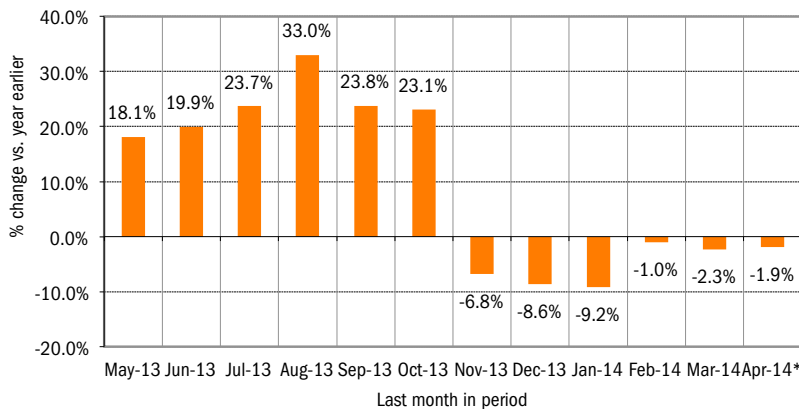
Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru April*			YTD Market Share (thru April)*		
	3/13 & 4/13	3/14 & 4/14*	% change	2013	2014*	% change	2013	2014*	change
	Industry Total	38,296	38,774	1.2%	64,653	65,141	0.8%		
Cars	16,337	15,320	-6.2%	26,749	24,517	-8.3%	41.4	37.6	-3.8
Light Trucks	21,959	23,454	6.8%	37,904	40,624	7.2%	58.6	62.4	3.8
Japanese Brands	12,667	13,661	7.8%	20,716	22,375	8.0%	32.0	34.3	2.3
Toyota	4,659	4,965	6.6%	7,796	7,926	1.7%	12.1	12.2	0.1
Honda	3,574	3,592	0.5%	5,573	5,804	4.1%	8.6	8.9	0.3
Nissan	1,960	2,133	8.8%	3,213	3,703	15.3%	5.0	5.7	0.7
Other	2,474	2,971	20.1%	4,134	4,942	19.5%	6.4	7.6	1.2
Domestic Brands	20,203	20,020	-0.9%	35,001	34,704	-0.8%	54.1	53.3	-0.8
General Motors	8,146	8,065	-1.0%	14,888	14,213	-4.5%	23.0	21.8	-1.2
Ford	7,723	7,105	-8.0%	12,857	12,235	-4.8%	19.9	18.8	-1.1
Chrysler	4,293	4,819	12.3%	7,184	8,197	14.1%	11.1	12.6	1.5
Other	41	31	-24.4%	72	59	-18.1%	0.1	0.1	0.0
European Brands	2,657	2,543	-4.3%	4,333	3,907	-9.8%	6.7	6.0	-0.7
Volkswagen	1,272	1,212	-4.7%	2,063	1,849	-10.4%	3.2	2.8	-0.4
BMW	732	676	-7.7%	1,194	991	-17.0%	1.8	1.5	-0.3
Mercedes	356	385	8.1%	566	620	9.5%	0.9	1.0	0.1
Other	297	270	-9.1%	510	447	-12.4%	0.8	0.7	-0.1
Korean Brands	2,769	2,550	-7.9%	4,603	4,155	-9.7%	7.1	6.4	-0.7

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, Subaru, and Suzuki). European: VW (Audi, Bentley, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz), Other (Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.

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

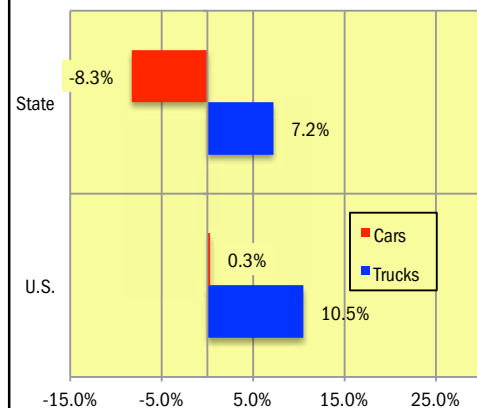
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



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

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '14 thru April* 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 April 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 Apr	YTD '14 thru Apr*	% change	YTD '13 thru Apr	YTD '14 thru Apr*
TOTAL	64,653	65,141	1%		
Acura	442	550	24%	0.7%	0.8%
Audi	443	512	16%	0.7%	0.8%
BMW	914	794	-13%	1.4%	1.2%
Buick	1,356	1,234	-9%	2.1%	1.9%
Cadillac	469	426	-9%	0.7%	0.7%
Chevrolet	10,617	10,065	-5%	16.4%	15.5%
Chrysler	1,325	992	-25%	2.0%	1.5%
Dodge	2,323	2,250	-3%	3.6%	3.5%
FIAT	99	69	-30%	0.2%	0.1%
Ford	12,505	11,878	-5%	19.3%	18.2%
GMC	2,446	2,486	2%	3.8%	3.8%
Honda	5,131	5,253	2%	7.9%	8.1%
Hyundai	2,195	1,923	-12%	3.4%	3.0%
Infiniti	300	331	10%	0.5%	0.5%
Jaguar	18	13	-28%	0.0%	0.0%
Jeep	1,670	2,731	64%	2.6%	4.2%
Kia	2,408	2,232	-7%	3.7%	3.4%
Land Rover	137	141	3%	0.2%	0.2%
Lexus	650	712	10%	1.0%	1.1%
Lincoln	352	357	1%	0.5%	0.5%
Mazda	1,339	1,390	4%	2.1%	2.1%
Mercedes	564	609	8%	0.9%	0.9%
MINI	280	196	-30%	0.4%	0.3%
Mitsubishi	280	608	117%	0.4%	0.9%
Nissan	2,913	3,372	16%	4.5%	5.2%
Other	140	136	-3%	0.2%	0.2%
Porsche	72	74	3%	0.1%	0.1%
Ram	1,866	2,222	19%	2.9%	3.4%
Subaru	2,434	2,899	19%	3.8%	4.5%
Tesla	31	22	-29%	0.0%	0.0%
Toyota	7,146	7,214	1%	11.1%	11.1%
Volkswagen	1,548	1,262	-18%	2.4%	1.9%
Volvo	240	188	-22%	0.4%	0.3%

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

*Figures for April 2014 were estimated by Auto Outlook.

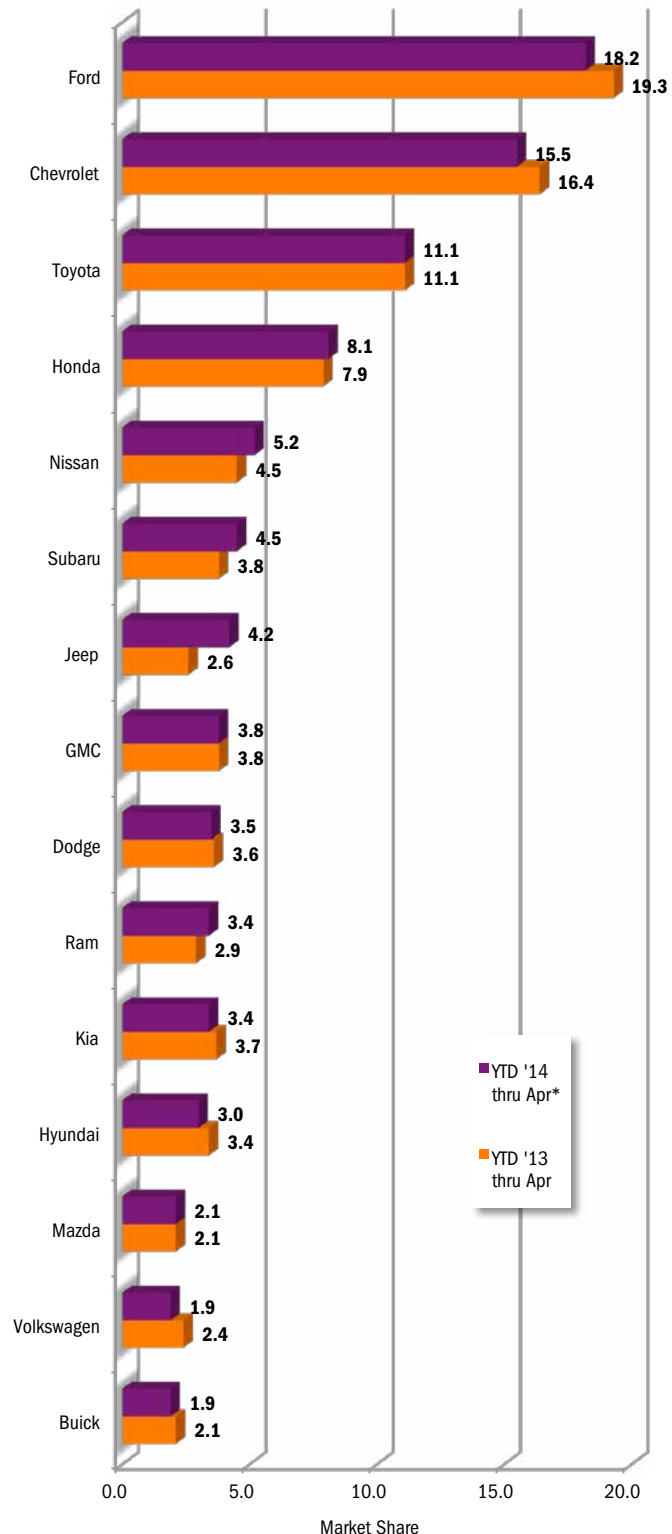
Source: Polk

This report is sponsored by the Minnesota Automobile Dealers Association and produced by Auto Outlook (800-206-0102).

Auto Outlook, Inc. is not responsible for management decisions based on the content of Minnesota Auto Outlook. Copyright Auto Outlook, May 2014.

Reproduction, including photocopying of this publication in whole or in part, is prohibited without the express permission of Auto Outlook, Inc. Any material quoted must be attributed to Minnesota Auto Outlook, published by Auto Outlook, Inc. on behalf of the Minnesota Automobile Dealers Association and must also include the statement: "Data Source: Polk."

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



*Figures for April 2014 were estimated by Auto Outlook.

Source: Polk.

Member News



Andy Maus of Kimball has passed away. The Maus family has been in business since 1928 and a **Chrysler** dealership since 1945.

New Prague Ford has renamed the store and will now do business as **New Prague Ford Dodge Chrysler Jeep RAM**. **Mark Swelland** is the Dealer Principal.

Collision and Service Update

MADA Bringing Students to the Automotive Industry Collision & Service Council

Council to Pilot Automotive Camp In an effort to address the future workforce for automotive mechanics and technicians, the Collision & Service Council was recently granted \$25,000 from MNSCU to pilot a week-long camp next summer for 32 students, 12-14 years old. This program will be held at St. Cloud Technical College and will emulate the manufacturing camp that the school has been running for eight years. The Council will establish a committee to develop curriculum, etc. so if you are interested in serving on a committee or becoming involved, please contact denise@mada.org.

Pheasant Hunt Don't miss out! Back by popular demand, the Council will be holding its 2nd Annual Pheasant Hunt on Wednesday, Oct. 8th. Mark your calendars now!

Parts Donation As a reminder, high school and post-secondary collision programs are in need of newer parts for students to learn about and work on. You can adopt a school to receive your used, damaged or new parts while receiving a tax deduction for all the parts you donate. To sign up for the program, go to www.MADACSC.org and complete the brief form. Thanks to Lupient Kia, Miller Auto Plaza and Feldmann Nissan for their recent donations!

Council at Dunwoody Sid Osterman of The Body Works in Brainerd, along with Marty Wojciechowski, Luther Automotive, attended Dunwoody's high school automotive instructor conference.

The two Council members presented a state-of-the-industry from the dealership perspective, discussing and answering questions related to educational programs, recruitment, wages, products and technology.



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
Midwest Family Mutual*

*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 ▪ JUNE 2014

MADA News

Calendar this: 2014 MADA Annual Meeting and Luncheon *Friday, December 5, 2014, 11:30am - 1:30pm*



This event just keeps getting bigger and better! If you have never been before –make this the year you attend. If you are a regular, we look forward to seeing you again.

We are proud to announce the speaker for the event: Fred Barnes, executive editor, The Weekly Standard and Commentator, FOX News

The epitome of a hard-hitting journalist, Fred Barnes delves into and examines today's headlines to find the real meaning and implications of the news.

The epitome of a hard-hitting journalist, Fred Barnes delves into and examines today's headlines to find the real meaning and implications of the news.

Taking audiences beneath the surface of headline events, Fred Barnes uses his skills as a journalist to map the political landscape and chart a course for the future. In presentations that cut through the spin and uncover the truth, Barnes reveals the stories that lie beyond the headlines—and details how those stories will define the future.

More details to come as we approach this event.



Education Fax Registration

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

	Class Options	Circle Preferred Date	Location
Title Basics	Title Basics – Minneapolis 9:30 a.m. - 11:30 a.m. \$199	July 17, 2014	Doubletree by Hilton - Park Place 1500 Park Place Blvd Minneapolis, MN 55416
	Title Basics –Brainerd 1:00 p.m. - 3:00 p.m. \$199	September 18, 2014	Grand View Lodge 23521 Nokomis Ave Nisswa, MN 56468

	Class Options	Circle Preferred Date	Location
The Certified Title & Registration Program	Sales Tax 9:00 a.m. - 10:00 a.m. \$99	July 8, 2014 September 9, 2014	Doubletree by Hilton - Park Place 1500 Park Place Blvd Minneapolis, MN 55416
	New to Fleet 10:30 a.m. - 12:30 p.m. \$99	July 8, 2014 September 9, 2014	
	Minnesota Titles and Transfers 1:00 p.m. – 3:00 p.m. \$99	July 8, 2014 September 9, 2014	Registration includes lunch, sponsored by CVR

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