

MADA News

Don't Miss the National Truck Summit



The demand for pickup trucks, SUVs and crossovers is at an all-time high. The segment is hot, and automakers continue to produce enticing products. Nowhere is this more evident than in Minnesota, where new vehicle sales of light trucks far exceed the national average.

Where is the segment headed? What are the trends?

This year, in an extraordinary partnership with *Automotive News*, the Twin Cities Auto Show will be hosting a National Truck Summit on March 6, 2020 at the Minneapolis Convention Center to answer these questions.

Panelists will explore the road ahead as the segment adapts to changing technology.

Joining the discussion will be experts in this field including Jay Sackett from Toyota, Matt Weiss from the research firm JATO, Erin Klepaski of Ally, Tim Stoebr of Ford, and RAM Truck Chief Designer Ryan Nagode who will tell us why pickups are fast becoming America's family car. The event will be emceed by Jason Stein, publisher of *Automotive News*.

Dealers are encouraged to attend this unique event.

MADA members receive \$300 off individual registration when you use promo code MADA.

Steep discounts are available on table registration when you use promo code MADAtable.

For more information go to www.nationaltrucksummit.com.

National Truck Summit... continued on page 7

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Employers May Restrict Work Email Usage

Get Help with Out-of-State Titles

Session Gavel in February 11

Dealers are encouraged to attend.

upcoming events

feb 25 CA Car Presentation
Bloomington

mar 06 National Truck Summit
Minneapolis

mar 07 Twin Cities Auto Show
Minneapolis

visit

www.mada.org

for details, registration and
a complete list of Upcoming
Events and Training

Legal News

Employers May Restrict Work Email Usage

Due to recent changes under the Trump administration, dealers may once again prohibit employees from using their email systems for non-business solicitations such as union organizing. It remains unlawful, however, to specifically prohibit only union organizing (rules against such solicitations must be facially neutral and applied neutrally to other types of non-business solicitations). As such, it would be prudent to update your handbook IT/email usage rules with the following language:

Company communication systems and the equipment used to operate the communication system, including email, are the Company's property. They are provided by the Company to assist in conducting the business of the Company. Company-owned communications systems are not to be used to solicit or proselytize for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations.

Alternatively, if your handbook outlines usage that is prohibited, the following could be added as examples of prohibited use(s):

Computer Resources may not be used to:

Send chain letters or other forms of non-business information.

Solicit for personal gain or advancement of personal views.

For further assistance in crafting or editing your policies, please feel free to contact MADA's General Counsel, Dan Louismet, at louismet@mada.org or (651) 789-2948.



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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Steve Whitaker, *Whitaker Buick GMC, Forest Lake*

Vice Chair

Gary Thibert, *Thibert Chevrolet & Buick, Red Lake Falls*

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MADA News

Reminder: MADA Dues

Thank you to all members who have submitted payment for both their 2020 MADA member dues and the \$100 special assessment for MADA's Legal Defense Fund. We are grateful for your confidence in the Association.

For those of you who haven't yet paid your Association dues, MADA by-laws state you will lose access to member benefits after 60-days of delinquency (March 1). A letter reminding affected dealerships of this will be sent in the coming days. To ensure you continue to receive uninterrupted access to MADA's legal and education benefits, please remit payment as soon as possible. Thank you for your attention to this matter.

Regulatory News

Volunteers Needed to Test MNDRIVE's Dealer Portal

MNDRIVE is currently in the process of building the dealer portal, which will be known as e-Services. In order to make sure the dealer voice is heard, Driver and Vehicle Services is inviting system users to participate in an explore day at DPS. Explore days are a great way to get familiar with the new system, receive a guided demo, and have a chance to process a transaction from start to finish at your own computer station.

After the demo, you'll have additional time to freely navigate the system and provide valuable feedback to MNDRIVE developers. There will be staff available for any questions or support that is needed. DVS asks that you come with questions and be ready to provide feedback, both positive

and negative.

Each session is limited to four new car and four used car users and will fill quickly, so please RSVP to MADA Title Manager Aly Quinn right away at aly@mada.org.

Session 1: March 18, 9am – 12pm, in St. Paul for dealership processing users (title clerks, F&I) who generate pre-applications, temporary permits, title applications, add flags and/or run inquiries.

Session 2: March 19, 9am – 12pm, in St. Paul for a dealership's current data use representative (DUR). This session will cover all the topics listed above as well as dealer licensing renewals, dealer plate requests and dealer account updates.

Regulatory News

Learn More about California Cars

As MADA continues to work to stop the adoption of California Car emissions standards in Minnesota, we are offering another opportunity for our members to learn more about the proposed rule and how you can help us defeat it.

Join us on Tuesday, February 25 from 10:30-11:30 a.m. at the Bloomington Hilton (Hilton Bloomington at 3900 American Blvd. W,

Bloomington) for a presentation and Q&A session with MADA President Scott Lambert and Vice President of Public Affairs Amber Backhaus. To attend, please call or e-mail MADA Event and Member Coordinator Becca Scholz at (651) 789-2934 or becca@mada.org.



Legislative News

Session Gavels in on February 11

Lawmakers returned to St. Paul on February 11 for the 92nd Session of the Minnesota Legislature. They will have just over three months to take care of the state's business, with the primary focus being on passage of a major capital improvement package known as the bonding bill. Other issues expected to garner attention include insulin cost and access, clean energy, as well as what to do with the state's anticipated \$1.3 billion budget surplus.


For MADA, we will be working with legislators on alternatives to the governor's misguided proposal to adopt California Car emission standards. We will also be collaborating with Driver and Vehicle Services on any language needed to help clean up title and registration statutes as MNDRIVE is implemented. We will also work to advance policies that promote technical education.

Session Gavels in... continued on page 7

TITLE AND REGISTRATION
NEW! TITLE BASICS NOW OFFERED EVERY MONTH!
TITLE BASICS
Designed as an introduction to the title and registration process, this interactive workshop will broaden the understanding of state forms, their proper application, and fee location. This class also prepares title clerks for the Certified Title Profession program.
This class is recommended for new title clerks and any dealership employees involved in the title and registration process.
WED, March 11, 2020 9:00 – 11:30 a.m. MADA Headquarters
WED, April 8, 2020 9:00 – 11:30 a.m. MADA Headquarters
WED, May 13, 2020 9:00 – 11:30 a.m. MADA Headquarters
CERTIFIED TITLE AND REGISTRATION PROGRAM
Consisting of three separate classes: Sales Tax, New to Fleet, and Minnesota Titles and Transfers . Each class provides vital skills and knowledge for optimal performance in title and registration. Certification is mandatory to utilize electronic titling and registration.
<i>Certification is awarded by attending all three classes and passing each test with a score of 70% or higher.</i>
THU, March 19, 2020 9:00 a.m. – 3:00 p.m. MADA Headquarters
THU, May 18, 2020 9:00 a.m. – 3:00 p.m. MADA Headquarters
THU, July 16, 2020 9:00 a.m. – 3:00 p.m. MADA Headquarters

MARKETING
CUT RUNAWAY DIGITAL MARKETING SPENDING
<i>Successfully measure and eliminate waste in digital marketing spend.</i>
US dealerships spend an average of \$27,000 per month (according to NADA-DATA 2018) on digital marketing, but don't have a good framework for measuring success. This webinar will provide dealers with knowledge and powerful tools to measure success and eliminate waste in digital marketing spend.
Recommended for dealers, general managers, sales managers, marketing managers and anyone who handles digital marketing spend at the dealership.
ON-DEMAND WEBINAR

COMPLIANCE
WAGE THEFT LAW SEMINAR - RECORDING
<i>Ensure your dealership complies with Minnesota's new Wage Theft Law.</i>
This seminar details the provisions of Minnesota's new Wage Theft Law. It highlights the changes to the regulations and the steps dealerships should take to come into compliance with criminal wage and theft sanctions that went into effect on August 1, 2019.
This class is recommended for dealer principals, general managers, controllers, and HR.
ON-DEMAND EVENT RECORDING



DRIVE SUCCESS

MADA

EDUCATION AND TRAINING

When you utilize MADA Education and training, you are investing in your dealership's success AND your industry's success!

We offer trusted, comprehensive, and topical educational opportunities that serve to improve dealership operations. Each course is designed to provide solutions and empower your staff to successfully manage the evolving situations that your dealership faces.

The revenue generated from MADA's training program is reallocated to legislative efforts at the Capitol, your legal counsel, and to fund the activities that strengthen our representation of YOU!

Minnesota Auto Outlook

Released by:
Minnesota Automobile
Dealers Association

Covering the Minnesota automotive market

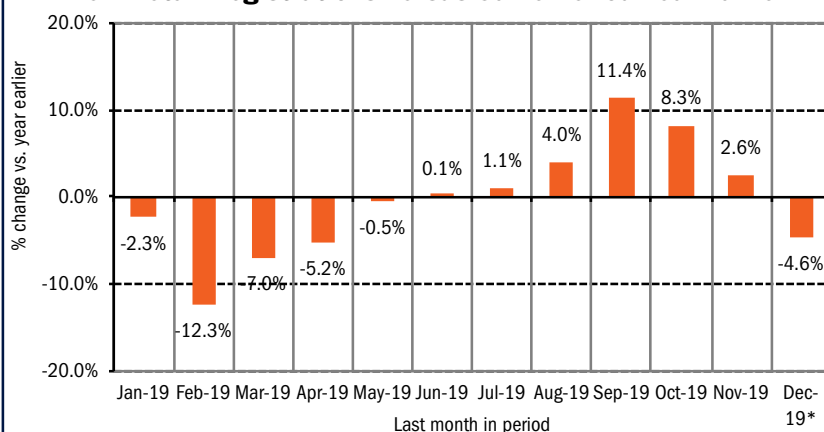
Data thru December 2019

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months*			Annual Totals			Annual Market Share		
	11/18 & 12/18	11/19 & 12/19*	% change	2018	2019*	% change	2018	2019	change
Industry Total	37,245	35,265	-5.3%	213,824	214,247	0.2%			
Cars	6,123	4,731	-22.7%	41,375	34,024	-17.8%	19.4	15.9	-3.5
Light Trucks	31,122	30,534	-1.9%	172,449	180,223	4.5%	80.6	84.1	3.5

*Figures for December, 2019 were estimated by Auto Outlook. Data Source: IHS.

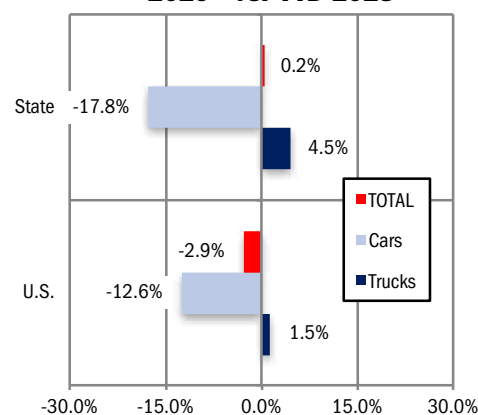
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



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 2019 were estimated by Auto Outlook. Data Source: IHS.

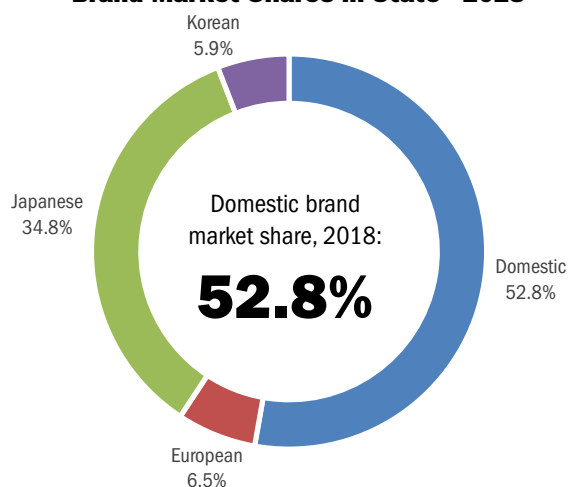
Percent Change in State and U.S. New Retail Light Vehicle Markets 2019* vs. YTD 2018



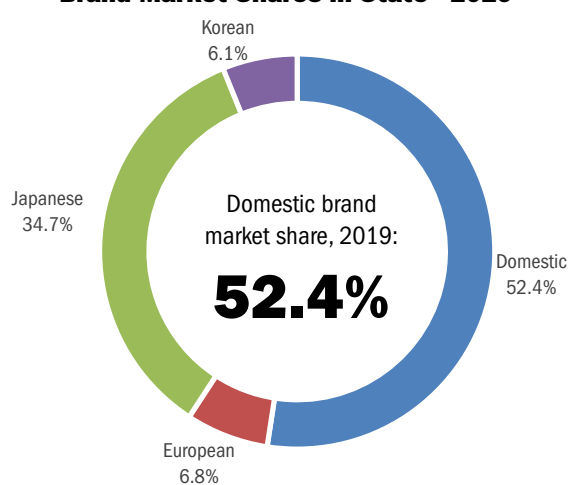
The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. *Figures for December, 2019 were estimated by Auto Outlook.

Data Source: IHS.

Japanese, Domestic, European, and Korean Brand Market Shares in State - 2018



Japanese, Domestic, European, and Korean Brand Market Shares in State - 2019*



Data Source: IHS.

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.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	2018		% change	2018	2019
	Annual	Annual*		Annual	Annual*
Acura	1,415	1,285	-9%	0.7%	0.6%
Alfa Romeo	195	115	-41%	0.1%	0.1%
Audi	2,123	2,173	2%	1.0%	1.0%
BMW	2,285	2,907	27%	1.1%	1.4%
Buick	3,800	3,966	4%	1.8%	1.9%
Cadillac	1,145	1,209	6%	0.5%	0.6%
Chevrolet	34,057	34,182	0%	15.9%	16.0%
Chrysler	2,218	1,574	-29%	1.0%	0.7%
Dodge	3,867	3,170	-18%	1.8%	1.5%
FIAT	131	80	-39%	0.1%	0.0%
Ford	31,513	28,489	-10%	14.7%	13.3%
Genesis	88	126	43%	0.0%	0.1%
GMC	8,596	8,815	3%	4.0%	4.1%
Honda	19,077	19,410	2%	8.9%	9.1%
Hyundai	6,183	6,595	7%	2.9%	3.1%
Infiniti	797	567	-29%	0.4%	0.3%
Jaguar	191	144	-25%	0.1%	0.1%
Jeep	15,692	16,262	4%	7.3%	7.6%
Kia	6,285	6,399	2%	2.9%	3.0%
Land Rover	504	439	-13%	0.2%	0.2%
Lexus	2,308	2,312	0%	1.1%	1.1%
Lincoln	1,032	1,087	5%	0.5%	0.5%
Maserati	57	48	-16%	0.0%	0.0%
Mazda	5,326	5,558	4%	2.5%	2.6%
Mercedes	1,885	1,881	0%	0.9%	0.9%
MINI	387	322	-17%	0.2%	0.2%
Mitsubishi	2,004	1,688	-16%	0.9%	0.8%
Nissan	8,378	7,756	-7%	3.9%	3.6%
Other	65	55	-15%	0.0%	0.0%
Porsche	371	410	11%	0.2%	0.2%
Ram	9,436	11,684	24%	4.4%	5.5%
Subaru	12,566	13,604	8%	5.9%	6.3%
Tesla	1,514	1,893	25%	0.7%	0.9%
Toyota	22,628	22,082	-2%	10.6%	10.3%
Volkswagen	4,485	4,653	4%	2.1%	2.2%
Volvo	1,220	1,307	7%	0.6%	0.6%

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

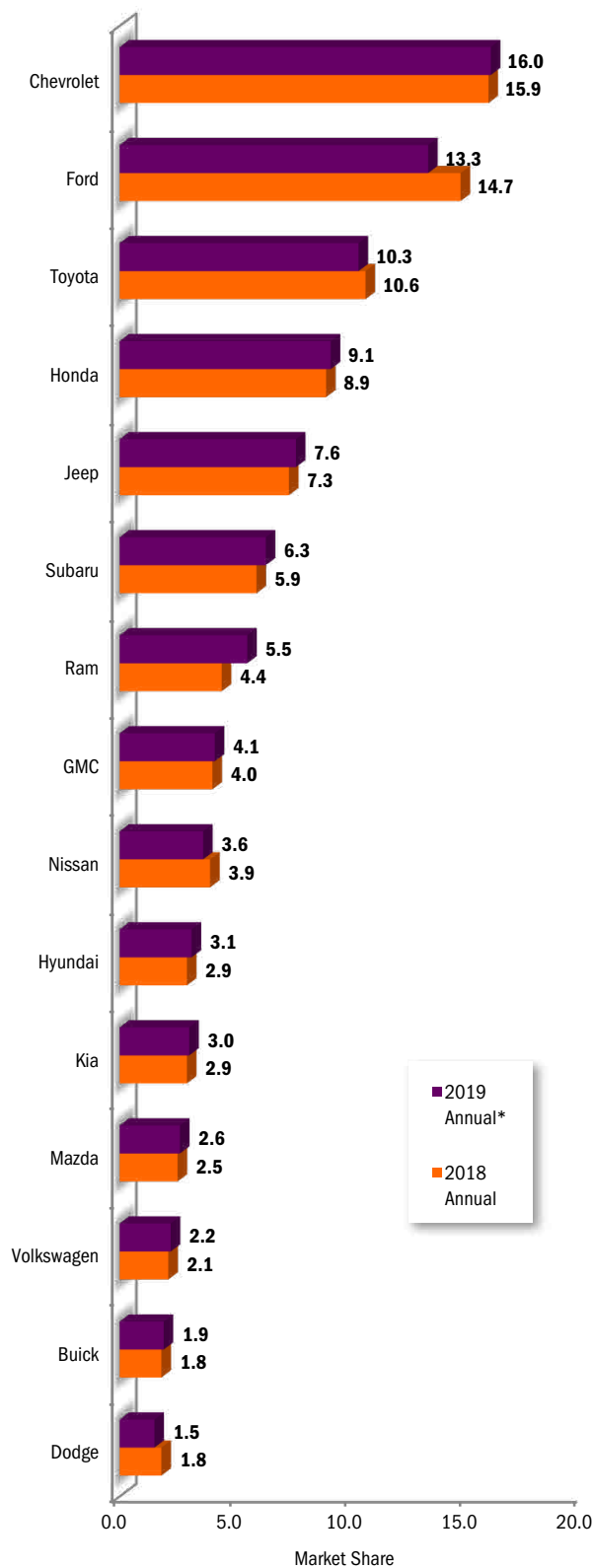
Data Source: IHS.

*December figures estimated by Auto Outlook.

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State Market Share for Top 15 Selling Brands
2019* vs. 2018



Data Source: IHS.

National Truck Summit... *continued from cover*

The event will also draw OEM representatives, suppliers, aftermarket parts businesspeople, local and national media.

After a day of panels and discussions, the event will culminate with a party and sneak peek at the show floor of the Twin Cities Auto Show which opens the next day.

Session Gavels in... *continued from pg 3*

New Leadership for Senate DFL Caucus

Typically, new caucus leaders are installed after elections and hold their positions throughout the two-year legislative cycle. However, after an intra-party battle that has been brewing the last couple of months, Senate Democrats voted to oust their long-time leader from the Iron Range Tom Bakk (DFL-Cook) and elect suburban Senator Susak Kent (DFL-Woodbury). The discussion and vote to change leadership was conducted in a private, closed-door meeting, but with more suburban legislators than ever before, it's understood DFL senators were seeking a change of style from backroom negotiating to a more transparent process. They wanted a leader who'd more openly embrace pursuit of environmental and gun-control legislation. Capitol insiders are watching closely to see how the change impacts caucus unity and effectiveness in 2020.

Services News

Get Help with Out-of-State Titles

If you struggle with titling vehicles in other states, MADA has a solution for you.

Interstate is a new product endorsed by the Association and offered by Vitu. It offers every dealer's title operation an easy and reliable process for out-of-state title transactions. Already in use in other states, Interstate should help streamline your titling operations.

After receiving multiple complaints about other services, MADA surveyed the market and is certain we've found a solution.

If you'd like a demonstration of this product or would like sign-up materials, please contact MADA Title Manager Aly Quinn at aly@mada.org or contact your MADA Services sales representative.

New Doc Fee Takes Effect July 1, 2020

A friendly reminder from MADA Services: when you reorder your custom buyer's orders, don't forget to take into account the new doc fee starting July 1, 2020. Beginning then, dealers will have the opportunity to charge as much as \$125.00 to cover their costs associated with processing a sales transaction. MADA Services staff will also be reminding you of the increase when you place your orders.



Check Guarantee/Credit Card Processing
FIS / Certegy

Dealer Bond Program
Ensure Agency

Disability Income Insurance & Section 125 Cafeteria Plans
American Fidelity Assurance

Employee Placement
Hireology

F&I Products
Protective

Fleet Fueling Program
Speedway

Group Health Insurance
Blue Cross Blue Shield of MN
Delta Dental
Voya Life

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

Office Supplies
Innovative Office Solutions

Online Marketing Services
Conversica
Dealer 1-2-1
LotLinX
PureInfluencer
Purple Cloud

OSHA, EPA & DOT Compliance/Training
ComplyNet Corporation

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

Uniforms and Linen Services
AmeriPride Linen & Apparel Services

Warranty Reimbursement
Bellavia Blatt

Workers Compensation
Ensure Agency



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.



MADA NEWS ▪ FEBRUARY 2020

FAQ

Equity Cash-Out Erodes Tax Benefit

Q: What portion of the value of a trade-in vehicle is applied to the customer's tax benefit where the customer receives money back for some of the equity in the trade-in vehicle?

A: Only that portion of the trade that the customer applies to the deal. For example, if a customer trades in a vehicle with a value of \$10,000 and wants a check back for \$5,000 of the equity, the customer will only get a trade-in tax benefit of \$5,000, not \$10,000.

Save your dealership time and money with

MADA Title Relief Service

- Solve and prevent worrisome title issues
- Create a clean titling process within your dealership
- Give your title clerks a place to go for help
- Get on-site temp help available for vacations or disruptions

*MADA Title Relief Services also includes access to an easy process for out-of-state titles from our partner: **vitu***

- **vitu** Interstate provides **full service** out-of-state titling assistance, including:
 - Estimated fee calculations
 - Document checklist on every deal
 - 24/7 complimentary phone and chat support
 - Comprehensive auditing and submission of paperwork to your customer's local jurisdiction