

MADA News

Sign-up to Stop CA Cars from Coming to MN



Governor Walz's plan to adopt CA Car Emission standards via rulemaking is expected to formally begin in the coming

weeks. If enacted, this plan will raise the costs of all new vehicles sold in Minnesota, limit the number of trucks delivered to the state, and subject us all to decisions made by California bureaucrats who don't care about whether their regulations work in Minnesota.

The environmental groups claim there is overwhelming support to abdicate our state's authority to California and mandate a certain percent of electric vehicles on showroom floors. But we know that's not true. They may rally a few hundred folks to sign on with them. But between our over 20,000 employees and tens of thousands of new vehicle customers, we can show them how unpopular this idea really is.

But to do so, we need your help.

MADA has created a petition against the rulemaking, and we'd like your help in gathering signatories. Please direct your contacts to the online version, available through www.driveawaycacars.org. We also have a paper version you can display at your dealership to collect names.

Thank you to the dealers that have begun to collect signatures. In one week, we collected a couple hundred names. We need this number to grow exponentially so we can show the state how unpopular California Cars is here.

inside

2020 Session Ends

Return of EVTR

Sports Cars, Hooligans, & Test Drive

upcoming events

jun 10 Title Basics
MADA Headquarters

jun 18 Prepare to take your
dealership for a MNDrive
WEBINAR

Webinar

PREPARE TO TAKE YOUR DEALERSHIP FOR A MNDRIVE

Improve your title & registration process to increase efficiency and ensure a seamless transition to the state's new system, MNDRIVE.

THURSDAY,
JUNE 18, 2020
10:00 A.M. - 11:15 A.M.

REGISTER NOW!

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

MADA News

Get Ready for my.mada.org

For the past several months, MADA staff have been busy getting acquainted with our new CRM system. Now we're getting ready for you to experience it, too.

The cloud-based platform - my.mada.org - will improve your online experience. The new password-protected system will allow you to manage your dealership's MADA membership and register and pay for training and events for you and those in your dealership. It also provides a platform to update organization and individual contact information to ensure phone numbers, addresses, emails, and websites are current. The invoices for membership dues, training, and events will look different after the new system is live.

Additionally, because access to MADA publications and legislative news will be password protected, it will ensure that these Association benefits are truly available to members only. Stay tuned for more information on accessing the system 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.

Chair

Steve Whitaker, Whitaker Buick GMC, Forest Lake

Vice Chair

Gary Thibert, Thibert Chevrolet & Buick, Red Lake Falls

Treasurer

Tom Leonard, Fury Auto Group, South St. Paul

Secretary

Chad Murphy, Murphy Chevrolet, Foley

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>

Legislative News

2020 Legislative Session Ends with a Whimper

At midnight on May 17, the 91st Session of the Minnesota Legislature ended with very few bills passed. The arrival of COVID-19 played a hand and significantly disrupted workflow as legislative action paused for a couple of weeks during what would have been the peak of activity. However, partisanship and divided control of the Legislature were the primary culprits in preventing passage of a capital improvements package, tax conformity, and a unified approach to COVID relief.

Additionally, lawmakers did not feel as much urgency to complete their work on time because they knew they'd be coming back for a Special Session in June. In order for Governor Walz to extend the peace time emergency currently in place, the Legislature must have the ability to override his actions, which would require them to be in session. As a result, a Special Session will be called in conjunction with the extension of the emergency on June 12.

All of the unfinished business, including the Senate's proposal to eliminate the MN Pollution Control Agency's authority to regulate motor vehicle emissions (such as via the California Cars proposal), will be back in play. Stay tuned for details.

COVID News

Stay Safe MN Expires May 31

Since Governor Walz declared a state of peacetime emergency on March 12 due to COVID-19, Minnesota residents and businesses have seen their activities severely limited.

The latest executive order, Stay Safe MN, which is intended to begin to reopen the economy while protecting Minnesotans from spreading COVID-19, is in place until 11:59 p.m. on Sunday, May 31. Whether dealerships will be allowed to relax restrictions on sales by appointment only when that order runs out is yet to be determined.

Keep an eye on MADA's COVID-19 landing to page at <http://www.mada.org/legal-resources/COVID> for the latest.

Title & Reg News

Return of EVTR Underway

The state's electronic vehicle titling and registration (EVTR) program, which was shuttered with the launch of MNLARS, is getting ready for a comeback. This time around, multiple vendors will have the opportunity to offer EVTR services, and an RFP seeking interested companies is open through June 1.

MADA continues to have a voice within the RFP process and is working hard to make sure the

dealer perspective is represented in the new requirements for the EVTR system. Approved vendors will be announced in July 2020, and EVTR will have a minimum number of pilot dealers for a soft launch when MNDRIVE goes live in November 2020.

If you have any questions, please contact MADA Title Manager Aly Quinn at 651-789-2935 or aly@mada.org.

Legal News

Sports Cars, Hooligans, and Solo Test Drives

MADA received a report of a customer at a metro dealership that was apparently interested in a high-horsepower sports car. The customer wanted to test drive the vehicle on his own, and specifically cited COVID-19 and social distancing practices as the reason necessitating the solo test drive. After some back and forth, and with great reluctance on the part of the dealership, the customer was allowed to test drive the vehicle on his own. The customer test drove the car, returned a short while later, and informed the salesman that he needed to think about it. The salesman visually inspected the car, and everything seemed to be in order.

The next day, the dealership received a tip that a vehicle looking identical to the sports car being offered for sale was the subject of an online video making the rounds. The car in the video is doing burnouts, donuts, and the like; eventually the vehicle in the video disappears into a cloud of smoke. Outraged, but skeptical that it could be the same car, the dealership inspected the vehicle that had gone out on solo test drive the day prior. Sure enough, the rear tires of the vehicle were nearly bald. Dealership records showed that the tires were practically new prior to the test drive. The dealership was left with a \$600 repair bill, and uncertain recourse.

Apparently, there is a "game" in town where young males are convincing dealers to allow solo test drives of high-end, high-horsepower, cars. The group then brings the vehicle to an empty parking lot, or other discrete location, and really "tests" the vehicle's capabilities. These tests are recorded, and the footage is uploaded to social media. Unfortunately, these cons have become much easier for these hooligans to run by exploiting the new social distancing norms we are all living with.

This dealership's experience serves as a valuable lesson to other dealers across the state. It is important to be vigilant and exercise good discretion in determining whether to allow any car, but particularly sports cars, to be test driven without a salesperson being present. Dealers are encouraged to have strict policies in place and be consistent in applying these policies. If you must make an exception to your test drive policy, consider ways to protect your property such as having a salesperson follow in another car. While dealers should continue to be eager to accommodate customers and make them feel comfortable, it is important to remember that some people, albeit few, are just out for a joyride.

DURING THIS EXTRAORDINARY TIME IN OUR HISTORY, WE ARE ALL WORKING TO REACT APPROPRIATELY TO EVENTS AND CONCERNS AROUND COVID-19. MADA IS COMMITTED TO OFFERING YOUR DEALERSHIP THE RESOURCES NEEDED TO SUCCESSFULLY NAVIGATE AND RESPOND TO THIS SITUATION.

THESE VIRTUAL, TIMELY AND INFORMATIVE COVID-19 WEBINARS ARE AVAILABLE AT NO COST TO YOU.

COVID-19 WEBINARS

PROTECTING YOUR DEALERSHIP'S EMPLOYEES FROM ILLNESSES AND STAYING OSHA, ADA, FMLA COMPLIANT

This webinar discusses what your dealership can do to protect your employees from illnesses, while staying compliant.

Presented by Comply Net

RECORDING AVAILABLE

KEEPING THE WHEEL TURNING IN THE ACCOUNTING OFFICE WITH A REMOTE WORKFORCE

NADA Academy instructors discuss ways to keep your accounting office running smoothly with most or all of your staff working remotely or on staggered shifts. They will share information on maintaining financial integrity and cash flow, along with daily, weekly and monthly processes to ensure your back-office procedures continue without interruption.

Presented by NADA

RECORDING AVAILABLE

MANAGING SERVICE OPERATIONS: MAKING IT THROUGH THE COVID-19 PANDEMIC

This webinar includes best practices for keeping your employees and customers safe and an opportunity to keep your business open.

Presented by NADA

RECORDING AVAILABLE

BUILD A 60—DAY PROFIT PROTECTION PLAN

Learn how to build a 60-day profit protection plan using benchmarking. This webinar will illustrate that by having the right data to benchmark, you will speed up the process to save 25% or more in the short and long term.

Presented by NADA

RECORDING AVAILABLE

DIGITAL RETAILING DISRUPTION – THE DEALER PERSPECTIVE

NADA Academy instructors discuss the results of a Digital Retailing Dealer Survey and provide examples of adjustments to the sales process to be more customer and employee-centric.

Presented by NADA

RECORDING AVAILABLE



PROTECTING YOUR DEALERSHIP'S EMPLOYEES FROM ILLNESSES AND STAYING OSHA, ADA, FMLA COMPLIANT

This webinar discusses what your dealership can do to protect your employees from illnesses, while staying compliant.

Presented by Comply Net

RECORDING AVAILABLE

LEGAL AND REGULATORY IMPLICATIONS OF ONLINE SALES—WHAT DEALERS NEED TO KNOW

In today's world, online sales and remote deliveries have taken on a vital new importance for many dealers, and whether you are new to online sales or have been doing them for years, there are several critical issues to consider and pitfalls to avoid. This webinar discusses important legal and regulatory issues and concerns dealers must know to stay compliant in this new atmosphere.

Presented by NADA

RECORDING AVAILABLE

MADA'S TITLE BASICS CLASSES ARE BACK!

To ensure the safety of attendees, MADA's Title Basics live classes will be limited to eight attendees per session. Due to this cap, for a limited time, Title Basics will also be available virtually.

Title Basics

Designed as an introduction to the title & registration process, this interactive course will broaden understanding state forms, their proper allocation, and fee location.

WED, June 10, 2020 | 9:00 - 11:30 a.m. | MADA Headquarters

WED, June 10, 2020 | 1:00 - 3:30 p.m. | Virtual

WED, July 8, 2020 | 9:00 - 11:30 a.m. | MADA Headquarters

WED, July 8, 2020 | 1:00 - 3:30 p.m. | Virtual

TITLE & REGISTRATION

PREPARE TO TAKE YOUR DEALERSHIP FOR A MNDRIVE

Improve your title & registration process to increase efficiency and ensure a seamless transition to the state's new system, MNDRIVE.

Presented by MADA

THU, June 18, 2020 | 10:00 a.m. - 11:15 a.m.
WEBINAR

Minnesota Auto Outlook

Released by:
Minnesota Automobile
Dealers Association

Covering the Minnesota automotive market

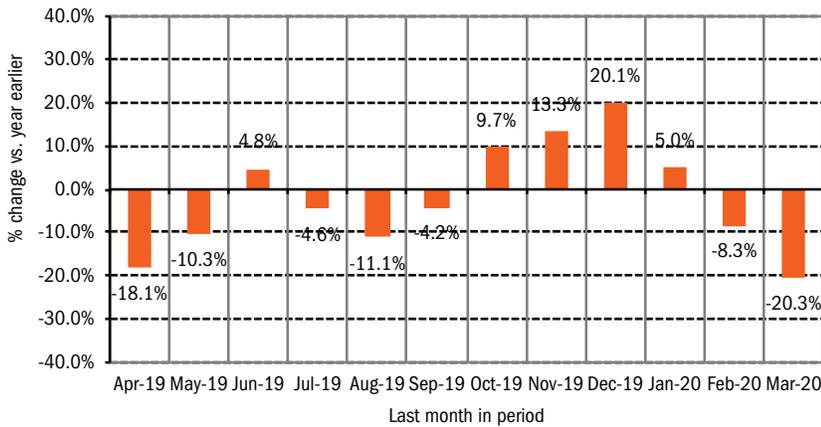
Data thru March 2020

Minnesota New Retail Car and Light Truck Registrations

	March			YTD thru March			YTD Market Share		
	March, 2019	March, 2020	% change	YTD '19	YTD '20	% change	YTD '19	YTD '20	change
Industry Total	16,329	9,995	-38.8%	56,538	45,074	-20.3%			
Cars	3,019	1,455	-51.8%	9,693	5,880	-39.3%	18.5	14.6	-3.9
Light Trucks	13,310	8,540	-35.8%	46,845	39,194	-16.3%	81.5	85.4	3.9

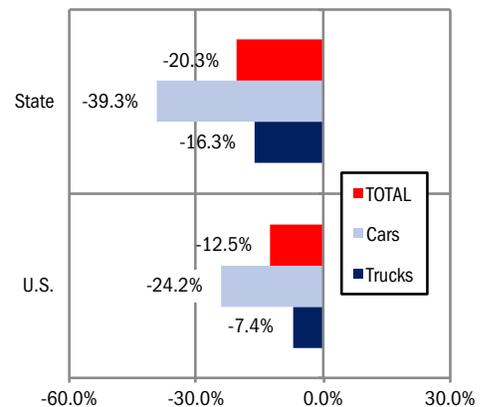
Data Source: AutoCount data from Experian.

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



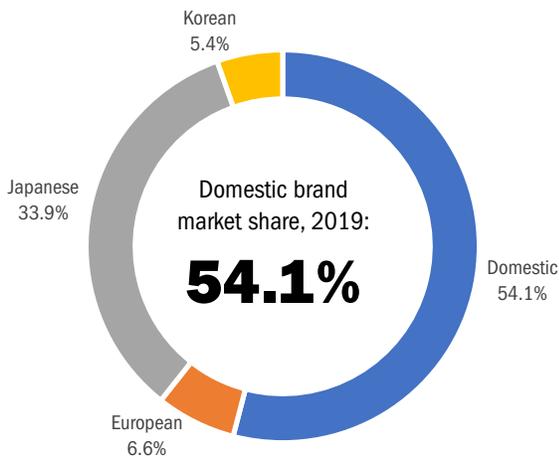
The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate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

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD 2020 thru Mar. vs. YTD 2019

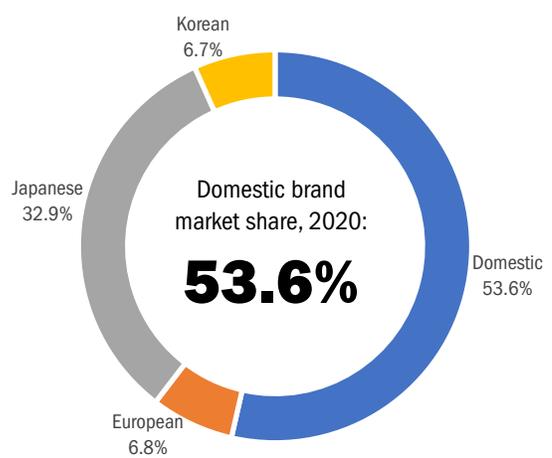


The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. Data Source: AutoCount data from Experian.

Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '19 thru Mar.



Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '20 thru Mar



Data Source: AutoCount data from Experian.

Data Information

Data presented in Auto Outlook measures new retail vehicle registrations in Minnesota. Monthly recording of registrations occurs when vehicle title information is processed, which may differ from date of sale. Title recording can occasionally be subject to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results.

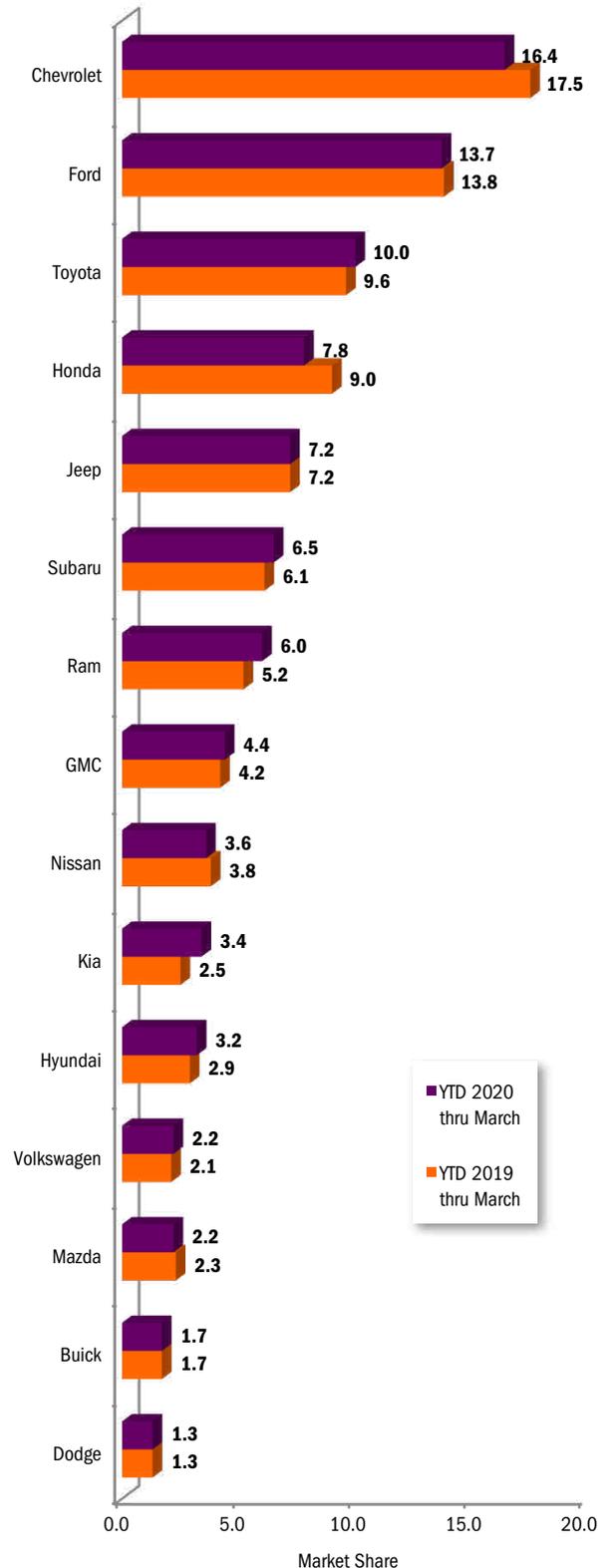
Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD 2019	YTD 2020	% change	YTD 2019	YTD 2020
	thru March	thru March		thru March	thru March
Acura	369	279	-24%	0.7%	0.6%
Alfa Romeo	35	19	-46%	0.1%	0.0%
Audi	702	521	-26%	1.2%	1.2%
BMW	743	603	-19%	1.3%	1.3%
Buick	938	757	-19%	1.7%	1.7%
Cadillac	321	307	-4%	0.6%	0.7%
Chevrolet	9,876	7,385	-25%	17.5%	16.4%
Chrysler	439	294	-33%	0.8%	0.7%
Dodge	743	598	-20%	1.3%	1.3%
FIAT	15	17	13%	0.0%	0.0%
Ford	7,807	6,182	-21%	13.8%	13.7%
Genesis	19	25	32%	0.0%	0.1%
GMC	2,396	1,963	-18%	4.2%	4.4%
Honda	5,087	3,535	-31%	9.0%	7.8%
Hyundai	1,613	1,456	-10%	2.9%	3.2%
Infiniti	209	98	-53%	0.4%	0.2%
Jaguar	47	38	-19%	0.1%	0.1%
Jeep	4,046	3,256	-20%	7.2%	7.2%
Kia	1,429	1,546	8%	2.5%	3.4%
Land Rover	124	100	-19%	0.2%	0.2%
Lexus	620	487	-21%	1.1%	1.1%
Lincoln	269	333	24%	0.5%	0.7%
Maserati	12	11	-8%	0.0%	0.0%
Mazda	1,311	1,007	-23%	2.3%	2.2%
Mercedes	452	409	-10%	0.8%	0.9%
MINI	76	50	-34%	0.1%	0.1%
Mitsubishi	531	325	-39%	0.9%	0.7%
Nissan	2,158	1,638	-24%	3.8%	3.6%
Other	11	12	9%	0.0%	0.0%
Porsche	82	42	-49%	0.1%	0.1%
Ram	2,963	2,718	-8%	5.2%	6.0%
Subaru	3,469	2,923	-16%	6.1%	6.5%
Tesla	768	355	-54%	1.4%	0.8%
Toyota	5,437	4,524	-17%	9.6%	10.0%
Volkswagen	1,161	976	-16%	2.1%	2.2%
Volvo	260	285	10%	0.5%	0.6%

Top ten ranked brands in each percent change category are shaded gray.
Data Source: AutoCount data from Experian.

This report is sponsored by the Minnesota Automobile Dealers Association and produced by Auto Outlook (610-640-1233). Any material quoted must be attributed to Minnesota Auto Outlook, published by Auto Outlook, Inc. on behalf of MADA. Data source must also be shown as "Data Source: AutoCount Data from Experian." Please contact the Association with any questions or comments regarding the publication.

Copyright May 2020.

State Market Share for Top 15 Selling Brands
YTD 2020 thru March vs. YTD 2019



Data Source: AutoCount data from Experian.

Member News

Condolences to the family of **Gary Deml**, who passed away on April 24. Gary started **Owatonna's Deml Ford Lincoln** in 1983, and his sons Mike and Brad later joined him in the family business.

OC Ellingson in Caledonia has been purchased by **LaVon** and **Michelle Felton** and is now **Sleepy Hollow Chevrolet Buick**.

The Harrison Corporation, an Iowa-based company previously focused exclusively on heavy-duty trucks, has purchased **Mankato Ford**. The dealership will retain its name.

MADA is saddened to report on the closings of **Renville Chevrolet** and **Gustafson Motors** in Cook, Minnesota.

Services News

Doc Fee Increase Effective 7/1/20

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.

MADA Vendor Viewpoint

Make 50-State Title and Registrations a Breeze

With the title and registration process unique to each state, selling a vehicle to an out-of-state customer can be a real headache. Fortunately, a handful of companies are now available to assist with this process, but make sure you find one who's actually going to provide some relief and not blindsides you with additional red tape and surprise fees.

Some companies provide access to forms needed to file in each state, but little-to-no guidance on the fees that need to be collected. Miscalculated fees can leave you sending multiple checks to the state or customer to reconcile the difference. Look for a company that is going to guarantee the accuracy of their transactions or pre-pay on your behalf to avoid the back and forth of checks and money orders. Companies that provide a pre-audit function via scanned images can also reduce delivery service fees and hassles when titling in other states.

The bottom line is to make sure you find a company that streamlines the out-of-state title and registration process so you have a satisfied customer who will bring their business back to Minnesota.

Contributed by Kris Johnson, GM National Registration Solutions, Vitu



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 / JMG Marketing
LotLinx
PureInfluencer

OSHA, EPA & DOT Compliance/Training
ComplyNet Corporation

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

Titling and Registration Services
Vitu Interstate

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 ▪ MAY 2020

FAQ

Q: We are ready to publish an advertisement but are not sure if it complies with the Minnesota Automotive Advertising Standards. Is there anyone that could review the ad prior to print to insure we are compliant?

A: Yes. BBB provides a prior-to-publication ad review service where advertisements sent to BBB before print or broadcast are reviewed for compliance with industry standards. BBB usually works with the general manager, dealer principle, or the dealership's ad agency representative. If you would like to take advantage of this service, please contact Karen Thompson, BBB Advertising Review & Trade Practices Manager, at 651-695-2418 or karen.thompson@thefirstbbb.org.

PREPARE TO TAKE YOUR DEALERSHIP FOR A MNDRIVE

•
•
•
•
•
•

WEBINAR
THURSDAY,
JUNE 18, 2020
10:00 A.M. – 11:15 A.M.

IMPROVE YOUR TITLE & REGISTRATION PROCESS TO INCREASE EFFICIENCY AND ENSURE A SEAMLESS TRANSITION TO THE STATE'S NEW SYSTEM, MNDRIVE.

Explore the common problems dealerships face with their title & registration department, including:

- Missing paperwork
- How to prevent lost deals with simple housekeeping adjustments
- Common title do's and don'ts
- Electronic logging

In addition, presenter Aly Quinn will provide an update and demonstration of MNDRIVE's (the replacement for MNLARS) dealer portal, e-Services, being launched by Driver & Vehicle Services (DVS) in November 2020. Plus, learn about MADA's new endorsed service for customers who need out-of-state titles and registrations - VITU Interstate!

This webinar is recommended for GM's, controllers, office managers, F&I directors, F&I managers and anyone who oversees title & registration in the dealership.



Aly Quinn
MADA Title Manager

ABOUT YOUR PRESENTER

Prior to joining MADA, Aly spent 20+ years doing title work for various companies, including dealerships, the White Bear Lake License Bureau, and CVR. We are delighted to have Aly's expertise at MADA as she now educates and consults dealerships on how to establish efficient title and registration processes. She creates and teaches the curriculum for MADA's most popular course, Title Basics. In addition, Aly spends two days a week advising DVS on the implementation of the state's new MNDRIVE system.

REGISTER TODAY AT WWW.MADA.ORG



HAS THE PRODUCTS YOU NEED TO KEEP YOUR EMPLOYEES AND CUSTOMERS SAFE

From seat covers to acrylic barriers, call on MADA Services to find the items you need to sanitize your vehicles and your dealership.



Floor Decals



Acrylic Barriers



Disposable
Masks

TO ORDER, CONTACT YOUR SALES REP
OR EMAIL SERVICES@MADA.ORG