

### MADA News



## MADA Takes CA Cars Message on the Road

MADA President Scott Lambert recently completed a 16-city tour to spread the word about the problems with the Walz Administration's proposal to impose California Car rules in Minnesota.

MADA partnered with the Center for the American Experiment, and together, they brought citizens across the state the message of increased costs, less vehicle choice and abdication of Minnesota's authority to California. Over a two-week period, the troupe travelled over 900 miles across southern, western, and northern Minnesota.

The group spoke to several hundred people throughout the tour, met with sympathetic legislators and conducted a dozen interviews with local radio and newspaper reporters.



Radio host Scott Hennen of Fargo's WZFG interviews Case Muscatell of Moorhead's Muscatell Subaru and Scott Lambert about the California Car proposal.

These efforts convinced hundreds more Minnesotans to sign the petition disagreeing with the Walz California plan. In addition, radio ads touting the Drive Away California Cars campaign

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Violations of the Conditional Pricing Ad Standard

November Ballots are Set!

Medica is New MADA Endorsed Vendor

**Dealers should ask their local chambers of commerce to take a stand against CA Cars.**

### upcoming events

- sep 9** Title Basics Virtual
- sep 16** Maximize Your Warranty Reimbursement Roseville
- sep 22** Trending the Wrong Way (Part 1): Employee Misconduct on Social Media Roseville

visit  
[www.mada.org](http://www.mada.org)  
for details, registration and  
a complete list of Upcoming  
Events and Training

CA Car Message... continued on pg 2

## Legal News

# Violations of the Conditional Pricing Ad Standard

The BBB has noted a recent spike in violations of the MADA Conditional Pricing standard and is actively working with individual dealers to address this issue. Several of these violations involve the inclusion of significant manufacturer trade-in bonus cash in the most prominent advertised price. BBB reminds dealers that only unconditional offers may be included in the "everyone" price. Trade-in incentives are conditional offers and therefore cannot be included in the most prominent advertised price.

The BBB is constantly reviewing and re-checking dealer websites and other third-party advertising sites. Dealers found not in compliance with the Minnesota Automotive Advertising Standards will be asked to modify or discontinue the advertising, and will be subject to MADA's Three Strikes Policy if they decline to make the requested changes or fail to do so within a reasonable timeframe. Questions or concerns may be directed to Karen Thompson, BBB Trade Practice Manager, at 651-695-2418 or [karen.thompson@thefirstbbb.org](mailto:karen.thompson@thefirstbbb.org).



**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

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Scott Lambert, *MADA*

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FAX: 651-291-2894 • Web site: <http://www.mada.org>

## MADA News

# Reminder my.mada.org

my.mada.org is now live! Contacts at all MADA member dealerships should have received an email with information about how to login and take advantage of MADA's new system. If you have not yet logged into the system and your temporary password has expired, you can use the forgot password function to set a new one and login.

The new password-protected system allows you to manage your dealership's MADA membership and to register and pay online for training and MADA events. It also provides a platform to update organization and individual contact information to ensure phone numbers, addresses, emails, and websites are current. Invoices for membership dues, training, and events will look different in my.mada.org.

Any questions regarding my.mada.org can be sent to Becca Scholz at [becca@mada.org](mailto:becca@mada.org) or call 651-789-2934.



## CA Car Message... *continued from cover*

began airing on several large networks in Greater Minnesota and will continue to run through the month of August.

All of this happened as MADA began its fundraising drive to bolster our legal defense fund and grassroots efforts.

As we move through the summer and into the fall, MADA is continuing to present its case to local chambers of commerce and Rotary clubs, asking them to pass resolutions supporting our position. Dealers active in their chambers are encouraged to press them to take a stand against California rule.

Contact Scott Lambert or Amber Backhaus at MADA for draft resolutions or more information.

## Legislative News

# Surprise Fireworks during Special Session

On August 12, the Minnesota Legislature convened for its third Special Session of the year. Each time Governor Walz extends the peacetime emergency declaration in response to the COVID pandemic, he must call the Legislature back into session to allow them the opportunity to override his order.

This third meeting was expected to be routine, with negotiations on bonding and tax bills halted and no major legislation anticipated. However, Senate Republicans, who control that chamber, had a different plan.

Several hours into the day's business, Senate Majority Leader Paul Gazelka (R-Nisswa)

surprised Senate Democrats and the Walz Administration when he announced they would be voting to reject Nancy Lippink's appointment as the commissioner of the Minnesota Department of Labor and Industry (DOLI). During the day, Senate Republicans characterized her as "unresponsive" and "hostile to Minnesota businesses." Democrats countered this was nothing more than a political move to settle a score with the governor since Republicans have been unable to neuter his executive powers when handling COVID.

Regardless of intent, there is now a vacancy at the top of DOLI. Senators voted to remove her as head of the agency on 34-32 party-line vote.

## Election News

# Ballots Set for November Election

On August 11, Minnesotans went to the polls in near-record numbers to select their parties' candidates in a number of hotly-contested primary races. The match-up garnering the most attention was that of Congresswoman Ilhan Omar (DFL-MN5) versus political newcomer Anton Melton-Meaux. Despite tens of millions of dollars backing his challenge, Melton-Meaux's bid to oust the first-term congresswoman was unsuccessful as he lost by 20%.

The other significant congressional primary was to determine which GOP candidate will face off against 14-term incumbent and House Agriculture Committee Chair Collin Peterson (DFL-MN7.) In a five-way primary, former State Senator and Lieutenant Governor Michelle Fischbach garnered almost 60% of the vote. The Peterson-Fischbach contest is being closely watched as Trump won the Seventh Congressional District by 30 points in 2016.

### ***Key Incumbents Ousted***

Within the State Legislature, several senior DFL members faced challenges from the left-

wing of the party and came out losers. In the Minnesota Senate, two Assistant Minority Leaders lost to challengers backed by the party and the Democratic Socialists. Senator Jeff Hayden (DFL-Minneapolis) lost to activist and state employee Omar Fateh by nine points, and Senator Eric Simonson (DFL-Duluth) lost to plaintiff's attorney Jen McEwen by nearly 50 points.

In the House, Judiciary Committee Chair John Lesch (DFL-St. Paul) lost by over 20 points to attorney Athena Hollins. Elections Committee Chair Ray Dehn (DFL-Minneapolis) was also unsuccessful in keeping his seat. He lost to Esther Agbaje, a former U.S. Foreign Services officer and attorney, by seven points.

The dominance of more progressive Democratic candidates in the primary will undoubtedly push the party farther left and bring increased legislative support to policies like Governor Walz's California Cars proposal.

## Title & Registration News

# Get Ready for MNDRIVE

This fall, the state will be rolling out MNDRIVE, its replacement for MNLARS. FAST, the vendor hired by the state to construct the new program from scratch, has been able to keep its aggressive timetable despite working through a pandemic. The launch is scheduled to be on November 16, 2020.

For dealers, the new system and its dealer portal will bring many changes:

- Dealers will be expected to input a lot more data than before.
- Multiple vendors will be able to offer Electronic Vehicle Titling & Registration (EVTR) services, and dealers will want to sign up with one to minimize data entry.
- The 21-day permits taped to the back windows will be replaced with temporary plates printed on special stock.

MADA is planning a robust training program and will soon be communicating more information to our members about these coming changes. Watch this newsletter and your emails for future announcements.



## MADA News

# MADA's Main Event Postponed

At its summer board meeting, the MADA Board of Directors voted to postpone holding The Main Event, MADA's annual membership celebration and luncheon, until the spring of 2021.

## FAQ

**Q:** I know that on July 1, 2020, the maximum doc. fee increased from \$100 to \$125. However, I'm getting requests from lenders to verify this change with something "official." Do you have anything I can provide to lenders?

**A:** Yes. MADA recommends you direct lenders to the actual statute, Minn. Stat. 168.27 Subd. 31, which can be found online at: <https://www.revisor.mn.gov/statutes/cite/168.27>

In relevant part, the law says:

*"For motor vehicle sales or leases made on or after July 1, 2017, through June 30, 2020, the maximum fee is \$100. For motor vehicle sales or leases made on or after July 1, 2020, the maximum fee is \$125." recommended. This tool can be found here:*  
<https://mn.gov/covid19/for-minnesotans/if-sick/get-tested/index.jsp>



# Minnesota Auto Outlook

Released by:  
Minnesota Automobile  
Dealers Association

Covering the Minnesota automotive market

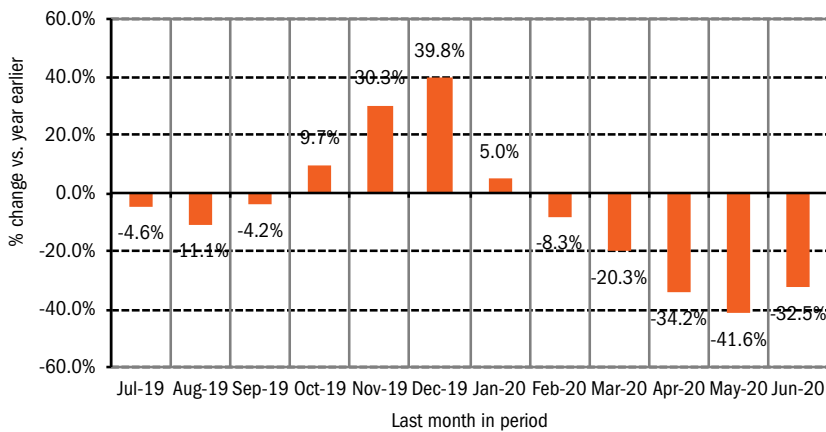
Data thru June 2020

## Minnesota New Retail Car and Light Truck Registrations

|                | Most Recent Two Months |               |          | YTD thru June |         |          | YTD Market Share |         |        |
|----------------|------------------------|---------------|----------|---------------|---------|----------|------------------|---------|--------|
|                | 5/19 and 6/19          | 5/20 and 6/20 | % change | YTD '19       | YTD '20 | % change | YTD '19          | YTD '20 | change |
| Industry Total | 34,978                 | 27,513        | -21.3%   | 111,242       | 82,012  | -26.3%   |                  |         |        |
| Cars           | 6,365                  | 3,958         | -37.8%   | 19,428        | 11,282  | -41.9%   | 17.5             | 13.8    | -3.7   |
| Light Trucks   | 28,613                 | 23,555        | -17.7%   | 91,814        | 70,730  | -23.0%   | 82.5             | 86.2    | 3.7    |

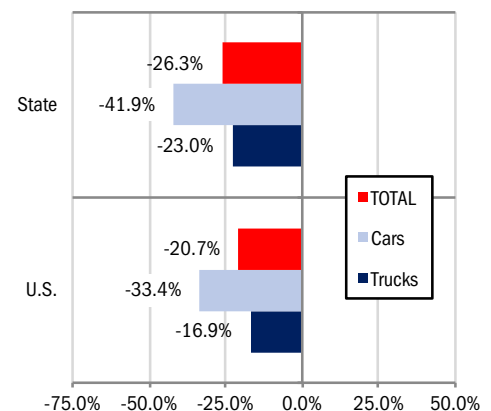
Data Source: AutoCount data from Experian. Some figures estimated by Auto Outlook.

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



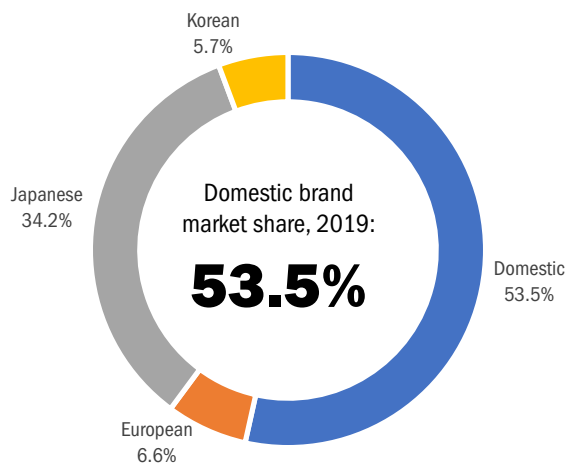
The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate 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 June vs. YTD 2019

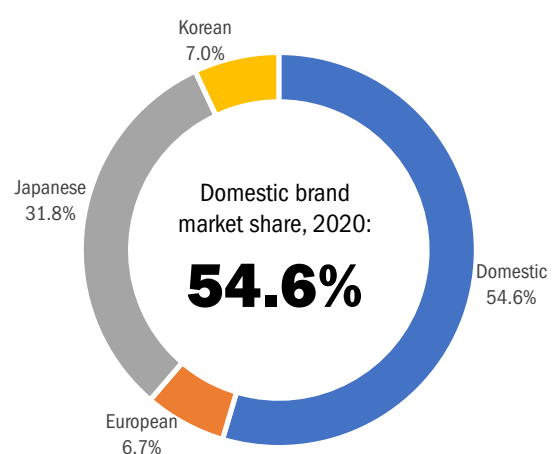


The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. Data Source: AutoCount data from Experian. Some figures estimated by Auto Outlook.

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



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



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 June 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.

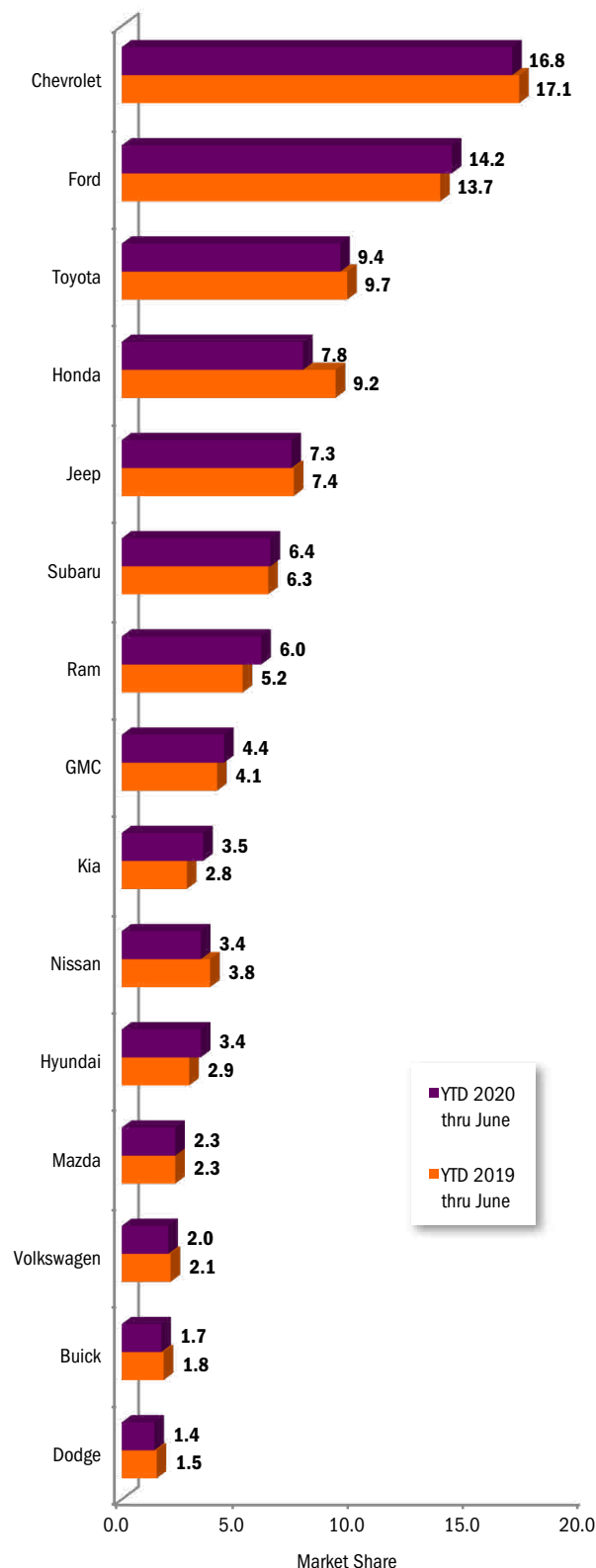
| Minnesota<br>New Retail Light Vehicle Registrations |                       |                       |          |                       |                       |
|---|-----------------------|-----------------------|----------|-----------------------|-----------------------|
|   | Registrations         |                       |          | Market share          |                       |
|   | YTD 2019<br>thru Jun. | YTD 2020<br>thru Jun. | % change | YTD 2019<br>thru Jun. | YTD 2020<br>thru Jun. |
| Acura   | 704                   | 462                   | -34%     | 0.6%                  | 0.6%                  |
| Alfa Romeo  | 67                    | 40                    | -40%     | 0.1%                  | 0.0%                  |
| Audi  | 1,312                 | 777                   | -41%     | 1.2%                  | 0.9%                  |
| BMW   | 1,489                 | 1,119                 | -25%     | 1.3%                  | 1.4%                  |
| Buick   | 2,057                 | 1,360                 | -34%     | 1.8%                  | 1.7%                  |
| Cadillac  | 644                   | 540                   | -16%     | 0.6%                  | 0.7%                  |
| Chevrolet   | 19,045                | 13,773                | -28%     | 17.1%                 | 16.8%                 |
| Chrysler  | 833                   | 506                   | -39%     | 0.7%                  | 0.6%                  |
| Dodge   | 1,639                 | 1,174                 | -28%     | 1.5%                  | 1.4%                  |
| FIAT  | 44                    | 19                    | -57%     | 0.0%                  | 0.0%                  |
| Ford  | 15,187                | 11,648                | -23%     | 13.7%                 | 14.2%                 |
| Genesis   | 46                    | 37                    | -20%     | 0.0%                  | 0.0%                  |
| GMC   | 4,527                 | 3,595                 | -21%     | 4.1%                  | 4.4%                  |
| Honda   | 10,194                | 6,404                 | -37%     | 9.2%                  | 7.8%                  |
| Hyundai   | 3,225                 | 2,768                 | -14%     | 2.9%                  | 3.4%                  |
| Infiniti  | 371                   | 136                   | -63%     | 0.3%                  | 0.2%                  |
| Jaguar  | 93                    | 61                    | -34%     | 0.1%                  | 0.1%                  |
| Jeep  | 8,196                 | 6,026                 | -26%     | 7.4%                  | 7.3%                  |
| Kia   | 3,083                 | 2,902                 | -6%      | 2.8%                  | 3.5%                  |
| Land Rover  | 235                   | 212                   | -10%     | 0.2%                  | 0.3%                  |
| Lexus   | 1,137                 | 785                   | -31%     | 1.0%                  | 1.0%                  |
| Lincoln   | 515                   | 590                   | 15%      | 0.5%                  | 0.7%                  |
| Maserati  | 20                    | 14                    | -30%     | 0.0%                  | 0.0%                  |
| Mazda   | 2,577                 | 1,883                 | -27%     | 2.3%                  | 2.3%                  |
| Mercedes  | 923                   | 812                   | -12%     | 0.8%                  | 1.0%                  |
| MINI  | 139                   | 105                   | -24%     | 0.1%                  | 0.1%                  |
| Mitsubishi  | 1,026                 | 570                   | -44%     | 0.9%                  | 0.7%                  |
| Nissan  | 4,180                 | 2,818                 | -33%     | 3.8%                  | 3.4%                  |
| Other   | 24                    | 34                    | 42%      | 0.0%                  | 0.0%                  |
| Porsche   | 168                   | 121                   | -28%     | 0.2%                  | 0.1%                  |
| Ram   | 5,787                 | 4,957                 | -14%     | 5.2%                  | 6.0%                  |
| Subaru  | 7,031                 | 5,275                 | -25%     | 6.3%                  | 6.4%                  |
| Tesla   | 1,070                 | 611                   | -43%     | 1.0%                  | 0.7%                  |
| Toyota  | 10,772                | 7,709                 | -28%     | 9.7%                  | 9.4%                  |
| Volkswagen  | 2,354                 | 1,667                 | -29%     | 2.1%                  | 2.0%                  |
| Volvo   | 528                   | 502                   | -5%      | 0.5%                  | 0.6%                  |

Top ten ranked brands in each percent change category are shaded gray.  
Data Source: AutoCount data from Experian. Some figures estimated by Auto Outlook.

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.

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



Data Source: AutoCount data from Experian.

## Member News

**Brett Weelborg** has purchased **Harpel Brothers** in Glencoe, MN. The new name is **Weelborg Chevrolet-Buick of Glencoe**. **Weelborg Chevrolet-Buick** is the third dealership for Brett, joining **Weelborg Ford** in Redwood Falls and **Weelborg Chevrolet** in New Ulm.

**St. Cloud's Miller Auto Plaza** has been purchased by **Gilleland Enterprises** who also own **Gilleland Chevrolet**. The name will remain unchanged.

## MADA News

### Medica Endorsed Vendor

MADA is pleased to announce Medica as the new Endorsed Vendor for medical insurance!

Medica was founded by physicians in 1975 and has grown to serve communities in the Midwest. As an endorsed vendor, MADA believes in the programs and services offered by Medica to support your health and making the most of your benefits. One of those services is a dedicated website for finding answers: <http://mada.welcometomedica.com/home>.

Can't find the information you are looking for online? Medica has extended hours for their customer service so you can have a live discussion to get the answers you need! Call them at 855-857-2045 on

Monday - Friday from 7:00 a.m. - 8:00 p.m. CST  
(closed Thursdays 8:00 - 9:00 a.m. CST)  
Saturday from 9:00 a.m. - 3:00 p.m. CST

## Services News

### MNDRIVE: Title Application and Temp Permit Form Changes

Effective November 16, 2020 MNDRIVE will be live. The Minnesota title application form # PS-2000 will change and become electronic via the MNDRIVE system. The 21-Day Permit will be changing to a plastic paper stock that you will run through your laser printer to create the 21-day permit. This paper stock will only be available through MADA Services.

If you need to replenish your supplies of title application forms and or 21-Day Permits, please order them with the November 16, 2020 date in mind. Any leftover title application and 21-Day Permit forms cannot be returned.



#### Endorsed Service & Vendors

##### 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

Delta Dental

Medica

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](http://www.mada.org)

**DURING THIS EXTRAORDINARY TIME IN OUR HISTORY, WE ARE ALL WORKING TO REACT APPROPRIATELY TO EVENTS AND CONCERNS AROUND THE COVID-19 HEALTH CRISIS AND THE CURRENT SOCIAL AND POLITICAL CLIMATES. MADA IS COMMITTED TO OFFERING YOUR DEALERSHIP THE RESOURCES NEEDED TO SUCCESSFULLY NAVIGATE AND RESPOND TO THESE CHALLENGING TIMES.**

## TRAINING FOR THE TIMES

### BACK BY POPULAR DEMAND! Trending the Wrong Way (Part 1): Employee Misconduct on Social Media

Strike the right balance between respecting the right to free speech and protecting against hostility in the workplace, all under the lens of social media. Matthew Tews, a partner at the law firm of Stinson, will cover how to establish appropriate conduct-based rules and how to respond to violations both inside and outside the workplace.

**WED, September 22, 2020 | 10:00 a.m. - 12:00 p.m.**  
DoubleTree by Hilton Roseville Minneapolis

*\* All social distancing and CDC guidelines will be observed for this seminar.*

### Trending the Wrong Way (Part 2): How to Prevent Social Media Posts from Tainting your Dealership's Reputation

Prepare, prevent and manage your dealership's reputation during these challenging times. Katie Jackson-Richter, VP & COO at Cuneo Advertising, will discuss and share the tools and tactics to uphold your dealership's reputation during crisis and what to do in the event your dealership's reputation comes under attack.

Available ON-DEMAND

### Pivoting your Digital Marketing during Covid-19

The crisis brought on by COVID-19 has affected automotive retail in a unique way. Dwindling new vehicle supply, bouncing used vehicle wholesale prices, and fearful shoppers all require that dealers pivot their digital marketing strategies accordingly. This webinar will outline the questions dealers need to ask, and the recommendations they should follow, to maximize their return on investment from paid search, paid Facebook, third party classifieds, email marketing and more.

Available ON-DEMAND

## MOTOR VEHICLE & TITLE REGISTRATION

### CERTIFIED TITLE AND REGISTRATION PROGRAM

This program is designed to provide the vital skills and knowledge for optimal performance in title and registration. In addition, attendees participating in this program and passing the administered tests are awarded certification. Certification is mandatory to utilize electronic titling and registration.

**WED, September 16, 2020 | 9:00 a.m. - 3:30 p.m. | MADA Headquarters**

**WED, October 21, 2020 | 9:00 a.m. - 3:30 p.m. | MADA Headquarters**

*All social distancing and CDC guidelines will be observed for this training – each class will be limited to EIGHT attendees per session.*

### The Nuts and Bolts of PPP Loan Forgiveness

On June 5, Congress dramatically changed the PPP program and the rules to be used for forgiveness. Join Attorney Ron Gardner to learn more about the **Updated Loan Forgiveness Application in Response to the PPP Flexibility Act**.

Available ON-DEMAND

### Managing Cybersecurity Risk for Auto Dealers

Auto dealerships are prime targets for cybercriminals because of the vast quantity of customer data they collect and the volume of financial transactions that they execute. In this session, Jeff Olejnik, Wipfli's CyberTech Practice Leader, shares information on the current cyber threat landscape to dealerships and provides a list of the top tips you can implement to reduce your risk of becoming a victim of a cyberattack.

**TUE, September 15, 2020 | 10:00 - 11:00 a.m. | Virtual**

### Maximize your Manufacturer Warranty Reimbursement

Minnesota Law requires manufacturers to reimburse their franchise dealers for warranty parts and labor according to a specific formula set forth in statute. However, getting the most out of this powerful statute requires both accounting and legal analysis. In this seminar, MADA General Counsel Dan Louismet, will discuss how your dealership can enforce your hard-fought dealer rights and maximize your warranty reimbursement.

**WED, September 16, 2020 | 10:00 - 11:00 a.m.**  
DoubleTree by Hilton Roseville Minneapolis

*\* All social distancing and CDC guidelines will be observed for this seminar.*

## FRAUD AWARENESS

The news is reporting more and more instances of fraud happening throughout various consumer and business transactions. In this course, you will learn about the prevalent fraud taking place in the retail automotive space and ways dealerships can help protect themselves.

**TUE, October 20, 2020 | 9:00 - 11:30 a.m. | Virtual**

**WED, October 21, 2020 | 9:00 - 11:30 a.m. | Virtual**

## MOTOR VEHICLE & TITLE REGISTRATION

### TITLE BASICS

Designed as an introduction to the title & registration process, this course will broaden your understanding of state forms fees.

**WED, September 9, 2020 | 9:00 - 11:30 a.m. | Virtual**

**WED, October 14, 2020 | 9:00 - 11:30 a.m. | Virtual**



# Maximize Your Manufacturer Warranty Reimbursement

Enforce your hard-fought dealer rights and maximize your warranty reimbursement.

Minnesota Law requires manufacturers to reimburse their franchise dealers for warranty parts and labor according to a specific formula set forth in statute. However, getting the most out of this powerful statute requires both accounting and legal analysis.

Find out how to enforce your hard-fought dealer rights and maximize your warranty reimbursement from MADA General Counsel Dan Louismet.

## Learn:

- The basic provisions of the warranty law
- How to submit for warranty reimbursement
- How to prepare to resist manufacturer attempts to pay dealers less than what they are owed under state law



Presenter:  
MADA General Counsel  
Dan Louismet

**WEDNESDAY, SEPTEMBER 16, 2020**  
**10:00 A.M. – 11:00 A.M.**