

MADA News

Walz Administration Moves Forward with CA Cars Rulemaking, MADA Sues

Just before the Christmas holiday, the Minnesota Pollution Control Agency (MPCA) announced it was moving forward with its proposal to adopt California's motor vehicle emissions standards.

MADA President Scott Lambert gave a swift rebuke to the agency for announcing this over the holidays during the COVID pandemic.

"The Walz Administration is giving everyone the promise of fewer trucks and higher prices for Christmas this year," stated Lambert. "It's a big lump of coal for working Minnesotans."

Lawsuit Filed

In anticipation of the impending rulemaking, MADA engaged legal counsel to mount a challenge against the rule. On January 6, MADA filed a lawsuit in Federal District Court alleging Minnesota lacks the authority under the Federal Clean Air Act to regulate motor vehicle emissions and is preempted under federal law from moving forward with its rules to adopt California vehicle emissions standards. The Association also moved for a preliminary injunction to stop the rulemaking process altogether.

In response, the MPCA filed a motion to dismiss our lawsuit. The court has agreed to a hearing on both motions on February 17, before the MPCA's rulemaking hearings get underway.

Next Steps

Beyond the court challenge, MADA continues to aggressively fight the adoption of California Car Rules on multiple fronts. Our grassroots and public relations efforts are ramping up to engage

inside

Expiration of Mandatory COVID-Related Leave

Minnesota Senate Scrutinizes CA Cars

Processing Daily Rentals in MNDRIVE

MADA is requesting dealers file their own comments about the rule.

upcoming events

feb 10 Title Basics
MADA Headquarters

feb 16 e-Services for Business
MADA Headquarters

feb 18 Certified Title & Registration
MADA Headquarters

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

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Legal News

Expiration of Mandatory COVID-Related Leave

In response to the COVID-19 pandemic, the Families First Coronavirus Response Act (FFCRA) went into effect on April 1, 2020 and expired on December 31, 2020. It required—through December 31, 2020—covered entities (generally private employers with fewer than 500 employees, with limited exceptions) to provide paid-leave to eligible employees under two provisions: (1) under the Emergency Paid Sick Leave law (EPSL), employees are eligible for up to 80 hours of job-protected leave for one of six qualifying reasons; (2) under the Emergency Family and Medical Leave Expansion Act (EFMLEA), employees are eligible for up to 12 weeks of job protected leave to care for a child whose school or place of care is closed due to COVID-19. The FFCRA provided a dollar-for-dollar tax credit to employers to offset the financial impact of providing the leave.

In a last-minute change, Congress did extend the tax credits for employers who choose to provide FFCRA leave from January 1, 2021-March

31, 2021. What this means is that you are not required to provide any FFCRA leave after December 31, 2020; however, if you choose to provide FFCRA leave, you will have the ability to claim the tax credits for qualifying FFCRA leave through March 31, 2021. If you choose to provide this benefit, like other leave and benefit entitlements, you will want to be careful to make sure all similarly-situated employees are being treated equally.

Government aid and other regulations in response to the pandemic remain highly fluid. This guidance represents the current state of the law as of the date of this publication. Given that the new administration has indicated a desire to extend and potentially expand the FFCRA, it is likely that the state of the law will change in the coming weeks and months. MADA will supplement this guidance if and when it becomes necessary.

visit us online at
www.mada.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.

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Walz CA Cars... continued from cover

Minnesotans to weigh in on the rulemaking. Public hearings before an administrative law judge are being held on February 22 and 23, with comments accepted through March 15. Beyond signing our petition at www.saveMNtrucks.com, MADA is requesting dealers file their own comments about how the rule will burden their businesses. Instructions on how to do so are forthcoming.

MADA is also mounting a campaign against the rule at the Legislature and proposing alternatives to reduce barriers to electric vehicle sales. To read more about legislative activity on the rule, see page 3.

Title and Registration News

Streamline Your Title Work

With the initial pilot phase completed, any dealer can now sign-up with an electronic vehicle titling and registration (EVTR) vendor to make easier work of the title application process. As of January 11, there are four EVTR vendors offering programs to reduce the upfront data-entry required of dealers since the launch of MNDRIVE. Vitu, DDI Technologies, eDS, and DLRdmv are currently operating; Dealertrack, OPUS, and others are slated to come online in the coming months.

Dealers are encouraged to take a close look at each EVTR system and check out features including their DMS integrations, cost, workflow, experience, and customer service. More information can be found at www.mada.org/titleandreg/EVTR.

Processing Daily Rentals

Since the launch of MNDRIVE, there has been confusion surrounding the processing of daily rentals within e-Services for Business. Following are the steps to allow this transaction to go through:

- Vehicle Use Type: Select “Commercial”
- Registration Options: Select “New/Change Plate”
- Primary Owner: Select “Business/Agency”
 - Enter Dealer Number
- Vehicle Value: Select “Sales Tax Exempt”
 - Daily Rental

After making these selections, you will be able to open the “Registration” dropdown, which gives you the option of changing the registration period from “one year” to “four months.”

If you have additional questions about how to process transactions in MNDRIVE, make sure to check out MADAs e-Services for Business training or take advantage of MADA’s Title Relief consulting services for customized assistance.

Legislative News

MN Senate Scrutinizes California Cars Rule



California Cars

During the week of January 18, three Senate Committees spent time discussing the Walz Administration’s proposed adoption of California motor vehicle emissions standards.

In a special combined hearing on Wednesday, January 20, the Senate Environment and Natural Resources Finance Committee and the Senate Environment and Natural Resources Policy and Legacy Finance Committee, chaired by Senator Bill Ingebrigtsen (R-Alexandria) and Senator Carrie Ruud (R-Breezy Point), met to receive an update on the rulemaking process and ask questions of the agency. Commissioner Laura Bishop and her staff continued to stress the need for the rule yet couldn’t answer underlying questions on how they derived the cost-savings touted in the rule or how many electric vehicles of the mandated supply would actually be sold.

The following day, the Senate Transportation Committee took testimony from Minnesotans on how the rule would impact them. Farmers, truckers, chambers of commerce, and Gary Thibert, owner of Thibert Chevrolet & Buick in Red Lake Falls, shared their concerns about the disruptions and uncertainty the rule will cause – as well as the precedent of turning over regulation of Minnesota businesses to California. Proponents, including many electric vehicle owners, spoke to the environmental benefits of EVs and how fun they are to drive, making one wonder why supply mandate is needed.

No action was taken in the committees, but the hearings reinforced that this is an issue dividing Democrats and Republicans, and Greater Minnesota and the metropolitan area. The attention to the issue also prompted additional media coverage, elevating CA Cars as one of the top issues of the legislative session.



Confidential and Free Resource for Dealing with Life's Challenges

When you need help with life's challenges — whether it's personal, financial or legal concerns — call the Medica® Optum® Employee Assistance Program (EAP) for timely, professional and confidential help. Master's-level specialists can help you find answers and resources to tackle the tough issues you and your family face such as will and trust preparation, child support or custody concerns, divorce, adoption, dependency issues, mental health issues, child care and elder care.

As part of your MADA Medica Association Health Plan (AHP) benefit plan, this service is available at no additional cost to you. Your call and conversations with EAP specialists are kept confidential, in accordance with the law.

EAP specialists are available anytime – 24 hours a day, 365 days a year — no appointment needed. They can be reached at 800-626-7944. When appropriate, the specialist can connect you with a local professional who can address your concerns in person (or via virtual appointments due to COVID-19). They can also help you get care through your Medica plan or affordable community resources. Visit www.medica.com/wellness/employee-assistance-program for more details about the five counseling sessions per issue per year covered at 100 percent.

NADA News

See Who's Exhibiting at the NADA Show

Beyond informative programming and dealer-franchise meetings, NADA has put together a virtual expo experience like no other, where participants can connect with hundreds of exhibitors, shop thousands of products and take advantage of Show Specials for significant cost savings.

During the NADA Show, you'll be able to visit virtual booth platforms to connect directly with booth personnel, schedule meetings, view demos and drop a business card for follow-up, all using NADA's new, Network Now matchmaking tool. Some exhibitors will even provide a link-out to their own branded 3D experiences.

NADA Show 2021 is just a few weeks away and takes place Feb. 9-11. Go to <https://show.nada.org/> to see the full list of exhibitors, register and start planning your NADA Show itinerary!

NADA News

Lambert Elected Chairman of ATAE

On January 21, MADA President Scott Lambert was elected 2021 chairman of the Automotive Trade Association Executives (ATAE).

Members of ATAE, which represents more than 100 state and metro new car and commercial truck dealer associations in the U.S. and Canada, work together on legislative and regulatory challenges facing dealers and support their respective members with educational and training programs, auto shows, conferences and other business services.

"I am honored to serve as the 2021 ATAE chairman," said Lambert. "Operating a dealership in today's ever-changing business environment has been complicated by the coronavirus pandemic, and I look forward to working alongside the more than 100 state and metro franchised new car dealer associations across the U.S. and Canada to support the legislative, regulatory and business needs of dealers at the state and local levels."

Minnesota Auto Outlook

Released by:
Minnesota Automobile
Dealers Association

Covering the Minnesota automotive market

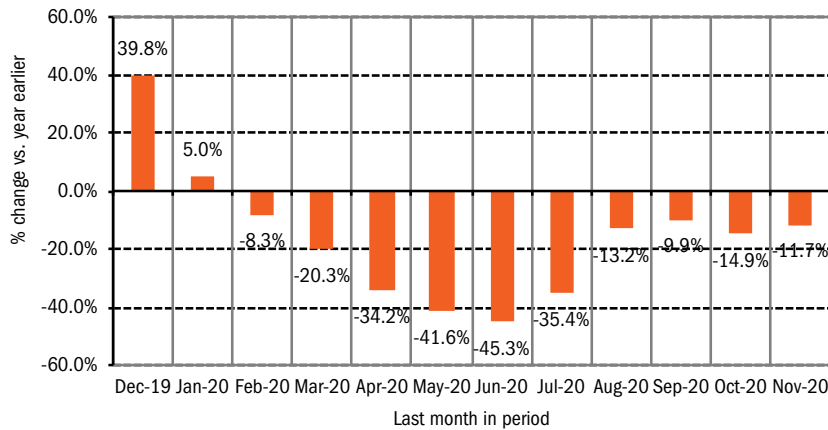
Data thru November 2020

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru Nov.			YTD Market Share		
	10/19 & 11/19	10/20 & 11/20	% change	YTD '19	YTD '20	% change	YTD '19	YTD '20	change
Industry Total	42,170	40,706	-3.5%	218,774	174,589	-20.2%			
Cars	6,450	5,214	-19.2%	36,981	23,261	-37.1%	16.9	13.3	-3.6
Light Trucks	35,720	35,492	-0.6%	181,793	151,328	-16.8%	83.1	86.7	3.6

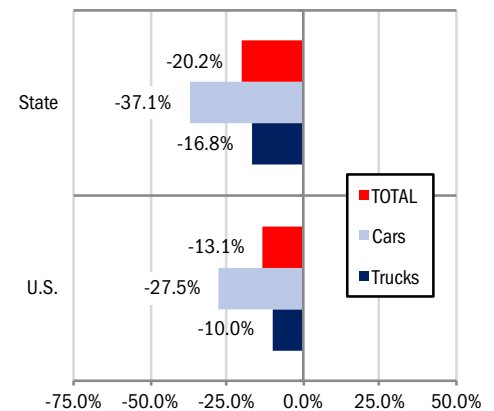
Data Source: AutoCount data from Experian. Some figures estimated by Auto Outlook.

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



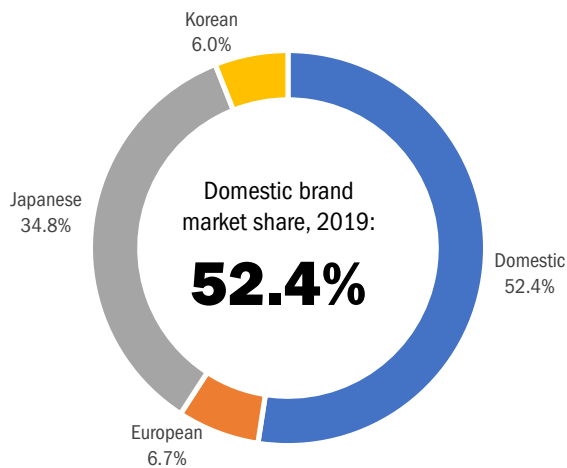
The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate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

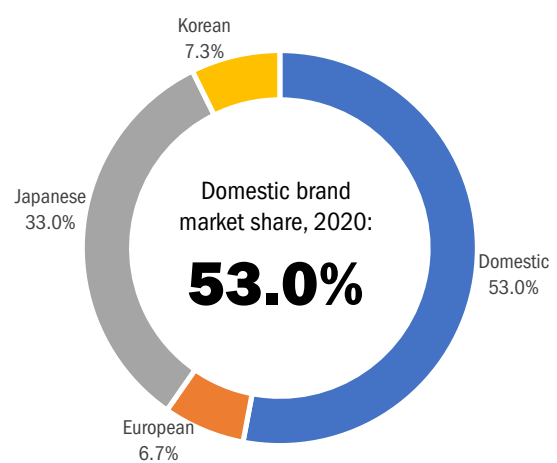


The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. Data Source: AutoCount data from Experian.

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



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



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 November 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.

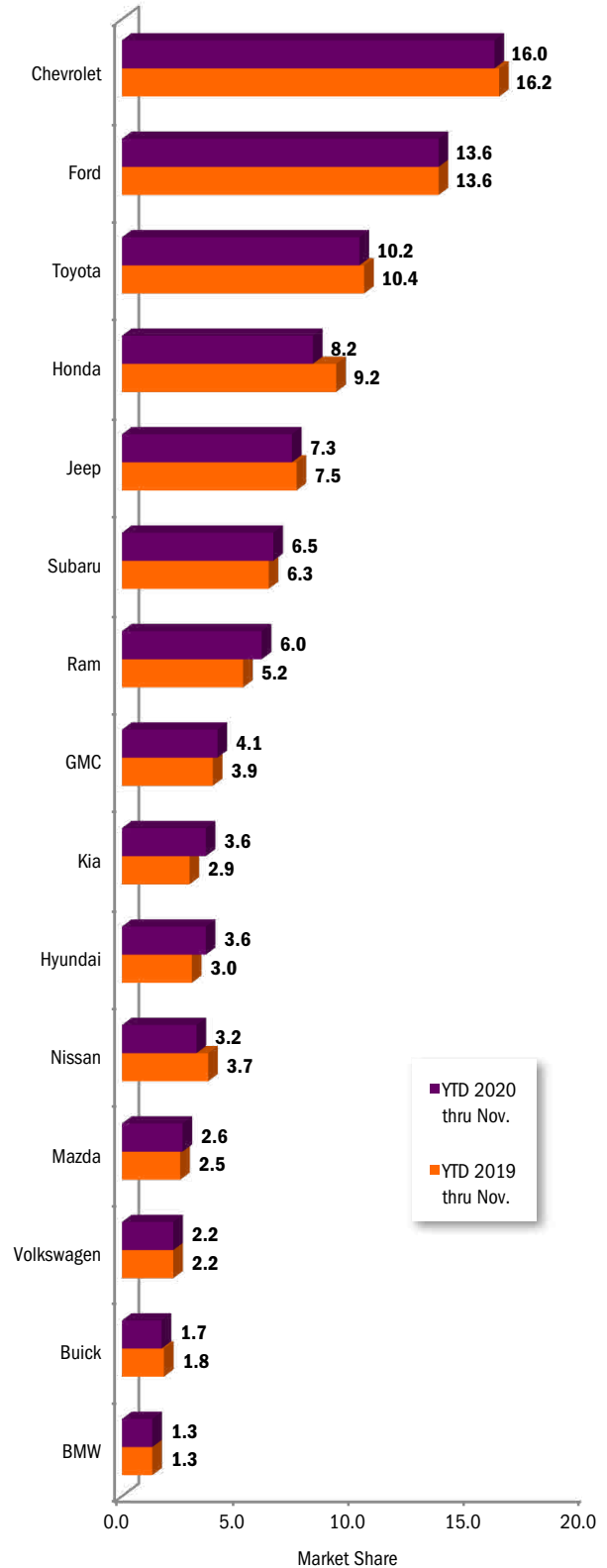
Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD 2019	YTD 2020	% change	YTD 2019	YTD 2020
	thru Nov.	thru Nov.		thru Nov.	thru Nov.
Acura	1,330	1,035	-22%	0.6%	0.6%
Alfa Romeo	137	83	-39%	0.1%	0.0%
Audi	2,588	1,614	-38%	1.2%	0.9%
BMW	2,928	2,253	-23%	1.3%	1.3%
Buick	3,996	2,959	-26%	1.8%	1.7%
Cadillac	1,252	1,032	-18%	0.6%	0.6%
Chevrolet	35,486	27,930	-21%	16.2%	16.0%
Chrysler	1,633	1,138	-30%	0.7%	0.7%
Dodge	3,123	2,121	-32%	1.4%	1.2%
FIAT	93	45	-52%	0.0%	0.0%
Ford	29,785	23,787	-20%	13.6%	13.6%
Genesis	104	79	-24%	0.0%	0.0%
GMC	8,446	7,125	-16%	3.9%	4.1%
Honda	20,168	14,331	-29%	9.2%	8.2%
Hyundai	6,639	6,331	-5%	3.0%	3.6%
Infiniti	656	239	-64%	0.3%	0.1%
Jaguar	155	99	-36%	0.1%	0.1%
Jeep	16,348	12,829	-22%	7.5%	7.3%
Kia	6,396	6,335	-1%	2.9%	3.6%
Land Rover	436	505	16%	0.2%	0.3%
Lexus	2,197	1,687	-23%	1.0%	1.0%
Lincoln	1,126	1,123	0%	0.5%	0.6%
Maserati	44	24	-45%	0.0%	0.0%
Mazda	5,473	4,558	-17%	2.5%	2.6%
Mercedes	1,802	1,482	-18%	0.8%	0.8%
MINI	282	247	-12%	0.1%	0.1%
Mitsubishi	1,785	1,089	-39%	0.8%	0.6%
Nissan	8,196	5,665	-31%	3.7%	3.2%
Other	49	55	12%	0.0%	0.0%
Porsche	342	245	-28%	0.2%	0.1%
Ram	11,447	10,501	-8%	5.2%	6.0%
Subaru	13,762	11,263	-18%	6.3%	6.5%
Tesla	2,075	1,967	-5%	0.9%	1.1%
Toyota	22,650	17,777	-22%	10.4%	10.2%
Volkswagen	4,735	3,911	-17%	2.2%	2.2%
Volvo	1,110	1,125	1%	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

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

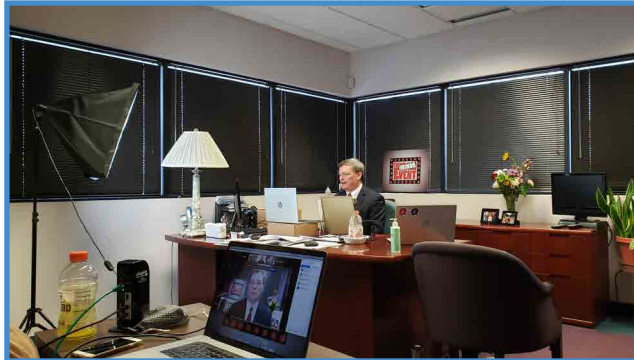


Data Source: AutoCount data from Experian.

MADA News

MADA Hosts a Minor Event

While the COVID pandemic derailed the opportunity to hold our largest member gathering, the Main Event, it did not stop MADA from bringing together members virtually for a minor one.



Behind the scenes as Scott Lambert presents at the Minor Event.

On January 13, over 100 members from around the state huddled around computer screens for the Minor Event and heard the latest from MADA President Scott Lambert on California Cars, met new NADA President Michael Stanton, participated in the always popular interactive survey, and enjoyed some moments of levity.

Thanks to our members for taking the time to join us and to our sponsors for making the event possible: ACV Auctions, Bellavia Blatt, Stinson, Protective, Medica, CliftonLarsonAllen, and Lubetech.

FAQ

Q: Can I tape the new 21-day permits in the back window of a customer's vehicle like we did with the old 21-day permit?

A: No. The new 21-days permits must be "affixed to the rear of the vehicle where a license plate would normally be affixed, and plainly visible." The full law can be found here: <https://www.revisor.mn.gov/statutes/cite/168.092>

Dealers may no longer use the old yellow 21-permits.

If you'd like to order the state-approved, tear- and weather-resistant paper to be used in printing your 21-day permits, please talk to your MADA Services sales representative or contact MADA at 651-291-2400 or services@mada.org.



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ACV Auctions

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American Fidelity Assurance

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Voya Life

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Conversica

LotLinx

PureInfluencer

OSHA, EPA & DOT Compliance/Training

ComplyNet Corporation

Pre-Paid Legal, Jim Gavin

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Pre-Paid Legal Services

Out-of-State Titling and Registration

Vitu Interstate

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

MOTOR VEHICLE & TITLE REGISTRATION

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, February 10, 2021 | 9:00 - 11:30 a.m. | MADA Headquarters

WED, March 10, 2021 | 9:00 - 11:30 a.m. | MADA Headquarters

All social distancing and CDC guidelines will be observed for this training.

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 participate in the EVTR program.

THU, February 18, 2021 | 9:00 a.m. - 3:30 p.m. | MADA Headquarters

THU, March 18, 2021 | 9:00 a.m. - 3:30 p.m. | MADA Headquarters

All social distancing and CDC guidelines will be observed for this training.

MNDRIVE E-SERVICES FOR BUSINESS

This live training is designed to familiarize attendees with MNDRIVE's e-Services for Business platform that will be used to process title and registration transactions.

TUE, February 16, 2021 | 9:00 - 11:00 a.m. | MADA Headquarters

TUE, March 16, 2021 | 9:00 - 11:00 a.m. | MADA Headquarters

All social distancing and CDC guidelines will be observed for this 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!

TRAINING FOR THE TIMES

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 reputation is 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. Attendees will learn specific reports to request, that will help them determine where to cut, and where to double down with their digital marketing.

Available ON-DEMAND

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 a becoming a victim of a cyberattack.

Available ON-DEMAND