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MADA Fast Facts

January 5, 2024 *Vol. 26* | *Issue 1*

Thank You For Your Membership in 2024!

How can MADA support you and your team this year?



Welcome from 2024 MADA President Chris Graff

Happy New Year to all of you. As a 3rd generation MADA president and 4th generation Michigan dealer, I am proud to fill this roll and serve all of you in 2024. I am pleased to follow in the footsteps of my father, Hank Graff (1992-93) and Max Graff (1966-67). I plan to serve you with the same high standards and advocacy that my family predecessors and so many other past presidents have upheld.

Equally, I would like to thank Mr. Cliff Cicotte for leading MADA as president in 2023. He is a great advocate for Michigan dealers and has put this association in a good position to continue supporting our members in 2024.

We are rolling into this new year with revised federal regulatory requirements, proposed and potential Michigan business changes, and a long list of other legislative and regulatory ideas for our business.

The amount of oversight in our business is incredible right now -- with no signs of slowing. Michigan dealers are navigating a chaotic business environment, alongside a need to support our customers in new and different ways. It is a lot!

I am looking forward to your involvement and feedback so we can best assist you and your employees. This is your opportunity to let MADA know how we can directly support your business.

- What issues need additional explanation?
- Are there resource materials we can provide to help you, your employees or customers?
- Would you like us to provide training opportunities, interesting speakers or other programs? (Please be specific.)
- And to make sure we are on the right track...what are we doing well?

I want you to get the most out of your membership so please let me know what you need. Click the button below to share anything you would like. MADA would be happy to follow up with you personally if you request.

I will also be traveling the state this year with MADA staff to personally meet dealers and hear your thoughts. I hope you and your management team are able to share a few minutes

of your time when I'm in the area.

I am excited to get started as your 2024 president, and I hope each and every MADA dealer reaches out at some point during the year so I have the opportunity to learn how we can make this association stronger.

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_____saying

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Overview of New Year Reminders

For this first *Fast Facts* of 2024, we offer a very quick overview of some processing changes for the new year. Please click the links provided for further information. You may also contact MADA at (800) 292-1923 or email news@michiganada.org.

(Michigan) Sales Tax on the Difference

Beginning Jan. 1, 2024, owners trading in a motor vehicle receive a sales tax credit for the vehicle's trade-in value up to a maximum of \$10,000. This amount increases \$1,000 annually and is based on the delivery date of the vehicle. [FAQ]

(Michigan) Recreation Passport Fee

Beginning Jan. 1, 2024, recreation passport fees increased:

- One-year vehicle \$14
- Two-year vehicle \$28
- Motorcycles remain \$7 for one- and two-year registrations [link]

(Michigan) Doc Fee

The documentary preparation fee (doc fee) for 2024 remains *unchanged*. The fee shall not exceed 5% of the cash price of the motor vehicle or \$260.00, whichever is less. It will be reviewed again in 2025. [link]

(Michigan) EV Registration Fees

As of Jan. 1, 2024, the Michigan Motor Fuel Tax Act increased the fuel tax, which also increased in the registration fees for plug-in hybrid and electric vehicles. The fee increase is \$3 for PHEV and \$7 for electric vehicles. [fee breakdown]

(Michigan) Minimum Wage

On Jan. 1, 2024, Michigan's minimum wage rate increased from \$10.10 to \$10.33 per hour, as set by Michigan's Improved Workforce Opportunity Wage Act of 2018 which establishes the annual schedule of increases. [link]

(Michigan) Dealer Plates | Tabs

Previous-year tabs for dealer plates remain active through the last day of February (Feb. 29, 2024). MDOS continues to mail dealer-plate tabs for the new year.

(Michigan) Obsolete CVR Tabs

Obsolete 2023 tabs must be returned to the CVR Warehouse by Jan. 20, 2024. <u>See this handout</u> with steps to return unused inventory and properly mark 2023 tabs as obsolete.

(Federal) Form 8300 Report of Cash Payments Over \$10,000

Any business that receives more than \$10,000 in cash in a single or related transactions must complete Form 8300. The business must also provide a written statement to the customer by Jan. 31 of the year following the Form 8300 filing. [dealer FAQs]

(Federal) Fuel Economy Guide

EPA regulations require automobile dealers to display the EPA/DOE Fuel Economy Guide prominently at each location where new automobiles are offered for sale. The 2024 guide and additional requirements for dealers are available <u>here</u>.

(Federal) IRS Energy Credits

Dealers and sellers of clean vehicles must use the new IRS Energy Credits Online tool to register and report clean vehicle sales. This is also how dealers will receive advance payments to offset the amount of a tax credit that was applied toward a customer's purchase price. [IRS FAQ] [NADA resources] [also see notice below]

IRS Announces More Time to Submit Time-of-Sale Reports

IRS Notice IR-2024-05

Following the launch of a new online portal and to help industry, the Internal Revenue Service today announced an extension for dealers and sellers of clean vehicles to submit time-of-sale reports.

Seller reporting in I<u>RS Energy Credits Online</u> (IRS ECO) became available on Jan. 1, 2024. To provide dealers and the IRS more time to submit and intake seller reports into this new system, the IRS is temporarily extending the 3-day time period to submit time-of-sale reports provided in Revenue Procedure 2023-38 through Jan. 16.

This means dealers and sellers have until Jan. 19 to submit a time-of-sale report for vehicles sold Jan. 1 through Jan. 16.

While the IRS fine-tunes this new system and the intake of time-of-sale reports, dealers and sellers should continue to submit time-of-reports using IRS ECO. We encourage sellers to use this extension only if they are unable to successfully submit a time-of-sale report when the vehicle is for a customer who intends to claim the tax credit on their tax return...

IRS Press Release

NADA and Texas-ADA File Court Challenge to FTC's Vehicle Shopping Rule

NADA and the Texas Automobile Dealers Association (TADA) filed a challenge today to the FTC's Final Vehicle Shopping Rule in the U.S.

Court of Appeals for the 5th Circuit. The purpose of the legal challenge is to prevent the implementation and enforcement of the rule, which dealers must comply with by July 30, 2024. NADA is also supporting federal legislation to this effect. A <u>simple one-page guide provides two key messages</u> explaining the action. Additional updates will be provided.



Member News

Cauley Ferrari of Detroit Celebrates 25 Years

Selling dreams since its start, the team at Cauley Ferrari of Detroit is proud to be celebrating its 25th Anniversary as a leader in the U.S. market. Established in December 1998 by Jeffrey Cauley, Cauley Ferrari opened its doors in West Bloomfield, unveiling a 14,000 sq. ft. facility inspired by Ferrari's Maranello headquarters. Cauley Ferrari is one of only eight Authorized Ferrari Body Shops in North America.

Over the next year, the dealership will be celebrating its 25th anniversary with private events with special Ferraris to commemorate this memorable year.

Keep Reading



ADM Capitol Corner

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Keep Reading

- 2024 Starts With A Bang
- MICRC Swears In 3 Commissioners, Votes To Appeal To Supreme Court
- Ballot Initiative Launched To Take The Wind From Solar, Wind Siting Sails
- Schuette To Announce 2024 Election Plans Tuesday
- Whitmer To Give Sixth State Of The State Jan. 24

news headlines



Car dealer tacked on junk fees



and bogus add-ons, FTC and **Connecticut allege**

FTC Business Blog | The defendants, who describe themselves as the "#1 FACTORY CERTIFIED NISSAN DEALER IN NEW ENGLAND!," advertise certain certified preowned vehicles for specific prices. For example, on their website, they advertised a "Nissan Certified" 2021 Nissan Rogue S SUV with "Your Price" of \$26,000. What's more, they claimed that certified vehicles come with an inspection and a "Limited Warranty: 84 Month/100,000 Mile (whichever comes first) from original inservice date."

But according to the FTC and Connecticut, when consumers attempt to buy a "certified" car for the advertised price, in many cases the defendants pile on hundreds or even thousands of dollars in additional fees for services that are already part of the certification process.

The End of 'MSRP-Only' Advertising

ComplyAuto | As a compliance officer with a decade-long tenure at a large auto group in Southern California, I have weathered my fair share of compliance storms, but the landscape has just become significantly more complex with the Federal Trade Commission (FTC) introducing the Combating Auto Retail Scams Rule (Rule) that goes into effect on July 30, 2024. In our first installment of a series of articles covering the Rule, we will talk about one of the most impactful parts of the new regulations and how it will likely end the practice of 'MSRP only' advertising at your dealership.

Read More

ComplyAuto will provide an opportunity to learn more during a webinar on Jan. 9

Read More

Save the Date!

MADA Spring **Dealer Meeting**

Tuesday, May 14 more details coming soon

Educational Opportunities

Jan 17 | Join the CAPTRUST team to learn about SECURE 2.0 retirement savings legislation and how it could affect you as a retirement plan participant.

Feb. 2-4 | While you are strolling the **NADA Expo**, stop by and visit these MADA partners and friends.

highlighting our associate members





700Credit is the largest provider of credit reports, compliance solutions, soft pull and identity verification, fraud detection and prevention products for over 15,000 automotive, RV, Powersports and Marine dealers across the US. We have over 200 integrations with CRM, DMS, Service Lane, Website providers, desking platforms, digital retailing, and automotive

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MADA Fast Facts

January 12, 2024 Vol. 26 | Issue 2

How Will You Get Involved This Year?

Save the Date for MADA's 2024 Events!

The MADA officers have set the dates for this year's annual member events. These programs are open to dealers and staff. Please add the dates to your calendar and plan to attend. More information will be emailed closer to the event.

May 14, 2024 | MADA Spring Membership Meeting

Eagle Eye Banquet Center, just outside East Lansing. This is an educational and networking lunch program for our dealer members. Thanks to generous support from sponsors, there is no cost to attend. Additional details will be emailed next month.

Sept. 10, 2024 | MADPAC Golf Outing

Start planning your foursome! We will return to Hawk Hollow Golf Course, just outside East Lansing. This is always a fun networking event with a lot of great prizes and giveaways.

Dec. 11, 2024 | MADA Board Meeting & Annual Meeting

To avoid potential winter travel complications, we will again offer this as a virtual meeting. This program offers guest speakers and an update on the association.



Notice from MADA partner ComplyAuto

Class Action Notices Being Sent to Dealers for

Consumer Privacy Violations

Recently, a car dealership in New Jersey received a notice of a class action lawsuit brought by a California-



based law firm representing California residents. This is the start of a litigation pattern in the automotive industry over privacy concerns related to chat modules, session replay tools, and tracking cookies.

The California-based law firm, claiming to represent a class of California residents, is preparing to file a class action lawsuit against the New Jersey dealership for allegedly recording their clients' communications after they interacted with the dealership's website chat module, sharing these communications with third parties without the clients' prior consent and, therefore, violating the California Invasion of Privacy Act (CIPA) in the process.

Said in another way, the dealership's website has tools that record the consumer's interactions and shares it with other vendors without receiving the consumer's permission.

The foremost strategy for protecting your dealership from claims of illegal wiretapping and violations of state personal data laws is through a well-crafted, fully operational cookie consent banner, coupled with a comprehensive, dealership-specific privacy policy.

The name of the game is "knowledge and consent." It's crucial that consumers are clearly informed about the types of activities that will occur when they use the website, or specific tools on it, and they must have the option to consent to these activities. This ensures transparency and respects the user's choice in their online interactions.

Keep Reading

Learn More > > WEBINAR: Consumer Privacy Violations Jan 17, 2024 | 01:30pm EST > > <u>REGISTER</u>

ComplyAuto is hosting a webinar discussion about this new legal tactic, your consumer privacy policy, cookie consent banners, and how you can protect your business, your reputation, and your brand from similar class action lawsuits. Ayyone may attend.

NADA Market Beat: 2023 New Light-Vehicle Sales Reach 15.46 Million Units

New light-vehicle sales totaled 15.46 million units in 2023, up 12.4% from 2022. December sales finished above expectations, with the month's SAAR reaching 15.8 million units, up 16% year over year and up 3.2% compared with November 2023. Both fleet and retail sales increased in 2023. According to Wards Intelligence, new light-vehicle retail sales totaled an estimated 12.95 million units and fleet



sales totaled some 2.5 million-year-over-year increases of 9.5% and 32%, respectively.

Light trucks represented 80% of all new vehicles sold in 2023—an increase of 0.8 percentage points from 2022. Light trucks accounted for 82.3% of all new vehicles sold in December 2023, an all-time high for any month. Crossovers were once again the most popular segment in 2023, representing 47.9% of all new light vehicles sold and up 2.6 percentage points from 2022.

In 2023 battery electric vehicle (BEV) sales topped 1.1 million units for the first time and made up 7.2% of all new light vehicles sold. Sales of BEVs by franchised dealerships represented 40.1% of all BEVs sold in 2023. Sales of hybrids and plug-in hybrids (PHEVs) also grew in 2023. In 2023, 7.6% of new vehicle sales were hybrids and 1.9% of new

vehicles sales were PHEVs, representing market share increases of 2 and 0.6 percentage points, respectively.

Keep Reading

Brand New from NADA!

Driving Ahead, NADA's New Podcast

It's not just enough to read today's headlines. Understanding trends, policies and new ideas requires examining what will make headlines tomorrow. That's why beginning today NADA is proud to offer you glimpses into the future of the automotive industry with its new podcast, Driving Ahead.



The first three episodes are <u>now available here</u>.

Peter Boulware, ex-NFL player and Super Bowl champion turned Florida auto dealer

- Advice from legendary coach Bobby Bowden that translates from football to business arenas
- What makes a great team
- · How we can better promote diversity within the industry

Michael Dunne, CEO of Dunne Insights and former president of GM Indonesia

- Snapshots of the Chinese market and their future intentions
- How Chinese cars could take a back door into the U.S. market
- If it's possible for the US to compete

John Murphy, managing director and lead US auto analyst for Bank of America Securities

- EV sales projections
- Economic forecast (we promise, you'll like it)
- How many of us will be in EVs in 10 years



ADM Capitol Corner

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Keep Reading

- Slotkin Sits At 65 Percent, Craig Leads Rogers In U.S. Senate Primary Race
- Trump 53, Haley 19, DeSantis 9 In Michigan Poll
- Whitmer Leads In Michigan If Biden Taps Out
- MICRC Sets Up To Redraw 7 House Districts Without Salary Increase

Also in Capitol Corner this week:

Paid Family Leave Not On Front Burner In Senate

When asked how confident he is that his committee will vote on legislation establishing 15 weeks of paid family leave in Michigan this year, Senate Housing and

Human Services Chair Jeff IRWIN (D-Ann Arbor) said "I don't know."

"I'm tempted to just (throw) in a number or something, but I really don't have a solid read on where we are," Irwin said to MIRS today. "I think that there are a lot of folks who I think share my philosophical bent on this, which is that we should have a family leave policy – we should have better labor laws in the state that are more family and worker friendly. But the details are incredibly important...

news headlines



Detroit auto show to return to its January roots

Detroit Free Press | The Detroit auto show will return to its traditional mid-January dates after a shift away from winter that fell afoul of COVID-19 and automakers' reduced reliance on auto shows. The move has been under consideration for some time.

Rod Alberts, executive director of the Detroit Auto Dealers Association, told the Free Press on Thursday that the 2025 Detroit auto show will begin with the Charity Preview the night of Friday, Jan. 10, and conclude on Martin Luther King Jr. Day, Jan. 20.



Food Facts You've Heard, But Aren't True

BCBS Michigan | As we enter the new year, many individuals set new year's resolutions, often focusing on healthier eating. The following MI Blues Perspectives article and associated podcast discuss some food "facts" that are frequently shared among friends and family but are not necessarily true.

Myth: All carbs are bad for you.

There are three different types of carbs. All of them can have their place in a healthy diet, but a couple are better than the other...



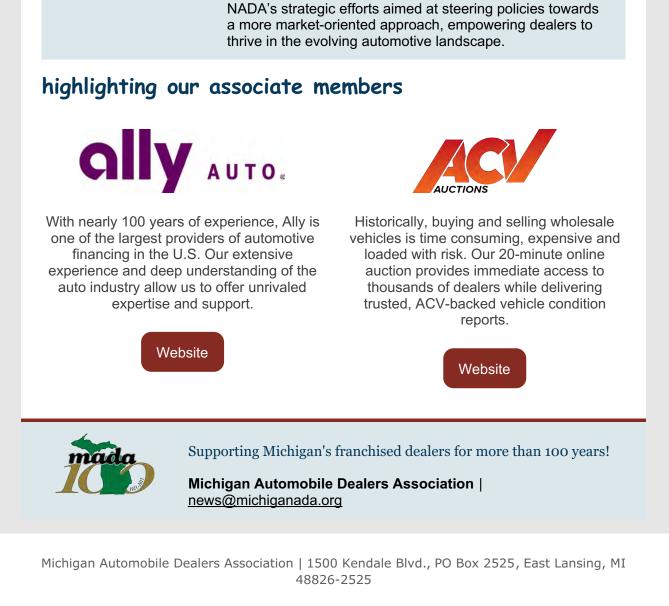


Educational Opportunities

NADA Show 2024 Feb. 1-4 in Las Vegas

While you are strolling the Expo (Feb. 2-4), stop by and <u>visit these</u> <u>MADA partners and</u> <u>friends</u>. Jan 16 | Join **NADA regulatory attorneys** for this members-only webinar as they provide an <u>overview of the</u> requirements of the FTC's new Vehicle Shopping Rule.

Jan. 24 | Join **NADA leadership** as they outline the <u>current</u> <u>landscape of the Biden Administration's EV policies</u>. Learn



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MADA Fast Facts

January 19, 2024 Vol. 26 | Issue 3

Resources to Keep Your Repair Facility in Compliance

The Michigan Department of State (MDOS) previously notified dealers that it continues to issue a high number of violations for **failure to display a valid repair facility registration** and **failure to display a valid mechanic certificate in a conspicuous location**. In many instances, the facility and mechanic hold a valid registration and certificate, but the certificates displayed are expired. Failure to have a valid registration and certificate displayed will result in a violation being issued. Please take the time to regularly check the registrations and certificates displayed at the facility to ensure they are all valid.

The department has also seen an increase in the number of **improper estimates and invoices**. This is a great time to review the facility's records to ensure that they meet all the requirements of the Motor Vehicle Service and Repair Act.

- <u>Appendix D</u> requirements for estimates
- Appendix E invoice requirements
- Chapter 2 recordkeeping requirements for repair facilities

Collision / Body Shop Requirements

As a reminder, the repair and replacement of bolt-on components does not require mechanic certification; however, a mechanic who is certified in unitized body and structural repair is required to diagnose all vehicles involved in a collision to determine if the underlying structural components the panels are bolted to are structurally sound.

If a collision/body shop does not employ a mechanic who is certified in unitized body or structural repair, the facility will need to sublet the diagnosis of the underlying structure to a shop that has a mechanic who is certified in unitized body and structural repair. If the facility chooses to sublet the diagnosis, the repair facility and mechanic information must be properly noted on the invoice. Instructions on how to notate sublet repairs can be found in Section 5-3 in <u>Chapter 5</u> of the Repair Manual.

FINAL REMINDER: Return Obsolete Tabs Today!

Obsolete 2023 tabs must be returned to the CVR Warehouse. For step-by-step instructions please review this handout.

Once you have marked your inventory as "obsolete" in the system, send the tabs along with an inventory list showing them obsolete to:

CVR Returns ~ 1500 Kendale Blvd ~ East Lansing, MI 48823 ** Send inventory in a trackable shipping method. **



saying

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Zurich - a specialized dealer-ops insurer with robust F&I offerings, including Property/Casualty/Workers Compensation/Cyber | Performance & Compliance Training for F&I, Sales, Service Advisor | Traditional & EV F&I Products | Profit Participation Programs. All products built, backed & administered by one source – Zurich. Stop the confusion. Eliminate the middleman.

News from NADA: U.S. DOL Issues Final Rule Impacting Independent Contractor Status

The U.S. Department of Labor (DOL) issued a <u>new rule</u> that affects how businesses classify someone as an independent contractor for purposes of the Fair Labor Standards Act (FLSA). **The rule takes effect on March 11, 2024.**



Dealers that improperly classify staff as contractors can be subject to liability. Under the FLSA, employees are entitled to minimum wage, overtime pay, and other protections. Independent contractors are not entitled to such rights but generally have more flexibility to set their schedules and to work for multiple companies. At dealerships, independent contractor relationships often occur for dealer exchange drivers, detailers and janitorial services.

What changed: The new rule will reinstate a more complex analysis based on a multifactor "totality of the circumstances" test to determine whether a worker is an employee or an independent contractor. The six factors outlined in the new rule are:

- 1. The worker's opportunity for profit or loss depending on managerial skill;
- 2. Investments by the worker and the potential employer;
- 3. Degree of permanence of the work relationship;
- 4. Nature and degree of the business's control over the worker;
- 5. Extent to which the work performed is an integral part of the potential employer's business; and
- 6. Whether the worker uses specialized skills indicative of business-like initiative.

The rule also states that "additional factors may also be considered if they are relevant to the overall question of economic dependence."

Substantial questions remain about the longevity of the final rule, including whether it will survive an inevitable legal challenge, and whether it will be in jeopardy should there be a presidential administration change. In the meantime, dealerships should review their independent contractor relationships considering the final rule in conjunction with their state employment law.

For more reading, also see:

- Businesses Will Struggle to Classify Workers as Independent Contractors Thanks to New DOL Rule: 5 Takeaways (Fisher Phillips)
- FAQ: Employee or Independent Contractor Classification (US DOL)

More from NADA... FTC Stays Vehicle Shopping Rule: Effective Date Delayed

In a Thursday email from NADA, it was announced that, in response to the petition for judicial review sought by NADA and the Texas Automobile Dealers Association (TADA), the Federal Trade Commission (FTC) has issued an Order postponing the effective date of the Vehicle Shopping Rule pending judicial review of the petition. The FTC's order notes that "it is in the interests of justice to stay the effective date of the rule to allow for judicial review."

While this action does not revoke or otherwise affect the rule's requirements, it does mean that the previously announced effective date of July 30, 2024 is no longer the effective date for the Vehicle Shopping Rule.

Dealers are encouraged to continue to review NADA compliance materials and take steps to understand and be prepared for the rule. NADA will continue to update dealers as they learn more about timing related to compliance with the rule.

Please refer to your January 18th email from NADA for further information.

Establishing the Four Corners for Winning at Your Dealership Every Day in 2024

Automotive has always been a mixture of aspiration and inspiration. To get to the next level, we need practical advice based on data and leveraged by experience. From improving the customer experience to building a better program for training and development, the foundation for prosperity in the automotive industry is tenacity and determination. To help you win, here are four attainable cornerstones to build a winning base



win, here are four attainable cornerstones to build a winning base around.

First, you need to be strategic in how you source inventory. The days of single-point acquisition are gone. You need to diversify your approach to securing valuable vehicles and think outside the box. Competition is fierce in this regard, so the more open you are to new avenues the higher your chances of success. As it stands, physical auctions still have practical applications. But supplementing your brick-and-mortar approach with digital auctions provides you with a slew of new opportunities.

On top of that, wholesaling with a hybrid approach allows you to integrate data into your decision-making. The days of guessing on a car only to have it not perform on your lot are dwindling. Empower your staff to secure inventory that will sell for the highest gross possible every time. Take sourcing a step further and integrate a next-generation widget to your web properties that allows you to best approach consumers for their vehicles. 2024 is the year you need to spread your wings and strategically scoop up the right inventory for your dealership.

Second, an important aspect of success at your used lot is how you attract, market, and acquire business...

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To learn more, stop by and see ACV at the NADA Expo, booth 2721 West Hall.

Member News



Look for MADA Partners at the NADA Show Expo

Many MADA preferred partners and associate members will be offering freebies and information on the NADA Show Expo Floor. <u>View this handout</u> to see who will be there, with booth locations noted. Then stop by Feb. 2-4 and learn how these companies can support your dealership.



ADM Capitol Corner

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- Still No Bipartisan Action On House Floor...
- Amash Considering U.S. Senate Run; Love Gets Out
- MICRC's Redrawn House District Maps Vary Widely
- Gov. Moves More To MiLEAP, Puts Tax Tribunal In LARA

Also in Capitol Corner this week: Governor Denies Inking 7-Figure Book Deal Report; Is One Coming?

Gov. Gretchen WHITMER debunked a gossip column that claimed she's reached a seven-figure deal for a book to be released in June – which is often seen as a sign of interest for a presidential run. However, she didn't discount the possibility that one is coming.

"I've always said at some point I'm going to write a book," Whitmer said after the roundtable discussion. "When I've got something to announce and share, I'll make sure you know... I am seriously contemplating what that could be, but that thing on Page Six was not accurate."

news headlines



From Bug To Buzz: VW Celebrates 75 Years in



Frank on Fraud's Predictions: 11 Trends to Look for in 2024

America With Photographic Journey

CARSCOOPS | Seventy-five years back, the very fist pair of Volkswagen Type 1 cars rolled into New York, setting the wheels in motion for the legendary Beetle's American adventure. To mark this milestone, VW presents a photographic time-travel from the classic '49 Beetle to the retrofuturistic 2024 VW ID. Buzz electric van, showcasing the remarkable evolution of the auto industry. It's all part of VW's 75th-anniversary campaign—a heartfelt "love letter" to America. **Point Predictive** | Each year Point Predictive teams up with experts to discuss what they anticipate to be the upcoming year's fraud trends. From tactics to targets, learn what some of the industry's most prominent experts are thinking about as we enter 2024.

1. 'Inny' Fraud Unveiled

A surge in "Inny" perpetrated fraud — fraud perpetrated by or with the help of business insiders — will continue to propagate across various sectors, from banks to online retailers. Insiders recruited through social media platforms will play a pivotal role in executing sophisticated scams, exposing a hidden crisis in 2024.

2. Scam Reimbursement Sparks First-Party Fraud Surge...



NADA Show Feb. 1-4 in Las Vegas

Read More

This year's show offers an opening-night celebration unlike any other. Secure your ticket for <u>A Night</u> <u>Under the Sphere</u> when you register for NADA Show 2024.

Educational Opportunities

Jan. 24 | Join **NADA leadership** as they outline the current landscape of the Biden Administration's EV policies. Learn NADA's strategic efforts aimed at steering policies towards a more market-oriented approach, empowering dealers to thrive in the evolving automotive landscape.



Macomb Community College Electric Vehicle (EV) Safety & Foundations Certificate

In partnership with the State of Michigan's Talent Action Team, Macomb Community College offers a new electric vehicle safety

and foundations training program. Cost of attendance in this workforce & continuing education program is offset by funding from the state.

The certificate program provides the fundamental information needed to safely work around and with EVs. This includes training on high voltage batteries, regenerative breaking, basic battery testing, and power management. The instructor-led classes can be taken either online or on-site at the college. However, to complete the entire certificate program, you must attend two on-site lab experiences.

If you are interested, please read more about the <u>course descriptions and fees</u>. For additional information and questions email <u>skilledtrades@macomb.edu</u> or call (586) 498-4100.

highlighting our associate members





700Credit is the largest provider of credit reports, compliance solutions, soft pull and identity verification, fraud detection and prevention products for over 15,000 automotive, RV, Powersports and Marine dealers across the US. We have over 200 integrations with CRM, DMS, Service Lane, Website providers, desking platforms, digital retailing, and automotive marketplace sites. Newtech Dealer Services[™], established in 1998, is one of the industry's leading innovators in technology, consulting, financial services, and vehicle management. Our proven systems and methods have helped our clients throughout the country increase revenue, control expenses, and create efficiencies.



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January 26, 2024 Vol. 26 | Issue 4

Michigan's Transition to New Driver's License

As we shared in December, the Michigan Department of State (MDOS) has redesigned the Michigan driver's license and state ID cards (see graphics below). Beginning Jan. 27, the state will begin printing the new card design. All enhanced cards requested on or after Jan. 16 and standard cards requested on or after Jan. 23 will be in the new design.

Existing cards that feature the Mackinac Bridge are valid until expiration and will not fully phase out until Jan. 2029. Therefore, two valid designs for Michigan licenses and ID will be in circulation for a few years. Please share this information with any team members who may need to know.

MDOS has also emailed this information to all licensed dealers. See a copy of the email <u>here</u>, and a link to a graphic overview of the changes <u>here</u>.



New Dealer Spreadsheet Template for <u>2023</u> Year-End Sale Reports; New e-Fax Option

For dealers intending to submit their **2023 Year-End Clean Vehicle Sale Reports** to the IRS on a **spreadsheet**, a new template is now available for download <u>here</u>. Please see your email from NADA, dated January 24, for more information.

Although the IRS prefers the reports to be provided in a spreadsheet, dealers may also submit copies of individual seller report Form 15400 or equivalent forms containing the required data the dealer used in calendar year 2023.

The IRS has more information on reporting 2023 information <u>here</u>. This page includes steps to:

- email encrypted 2023 time-of-sale reports
- securely e-fax 2023 time-of-sale reports < < NEW option

Note: point-of-sale reports for calendar year <u>2024</u> must continue to be submitted through the IRS portal.



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Get a great group rate on credit card processing with your MADA membership! The Michigan Retailers Association understands you want simplicity and you need to save money when it comes to credit card processing. MRA saves members an average of 33% on credit card processing fees using an easy-to understand approach. We service all major credit cards (Visa, MasterCard, Discover and American Express) and offer a variety of deposit options.

Dealer Plates and Tabs

Dealers are reminded that your previous allotment of dealer plates and dealer tabs remain active through the **end** of February (Feb. 29, 2024).

MDOS continues to process and mail dealer tabs for the new year. If dealers requested new/replacement plates, these are also being processed. Plates and tabs are mailed separately, and they often arrive at different times (days or even weeks apart).

If a dealership has not received the new dealer tabs or dealer plates by mid-February, feel free to reach out to MADA. We would be happy to contact the state on your behalf to ask if there are any known delays with your specific order.

When contacting MADA, provide the dealership name and license number for the plates/tabs in question. Email Iduby@michiganada.org or call (800) 292-1923.

January 2024 newsletter from Barrett Charapp Beaty, Esq.

Twenty-Four for '24: Topics of Importance to Dealers

"The nine most terrifying words in the English language are: I'm from the Government, and I'm here to help." -- Ronald Reagan.

2023 marked the year that federal authorities passed laws and regulations that effectively have widespread oversight over motor vehicle dealerships. With 2024 being a presidential election year, the oversight will not cease because the regulatory zealots need to complete their Wishlist before November.

Dealers have always persevered to overcome adversity, and 2024 will not be any different. This month's *Driving Your Success* newsletter features twenty-four issues to which you should give attention in 24. From federal compliance, to franchise relations, personnel compliance and operations issues...this newsletter provides a general overview on topics of importance to dealers in 2024. Keep reading

please note: articles are for information only and do not constitute legal advice. DRIVING YOUR SUCCESS® is a trademark owned by Charapp & Weiss, LLP.

Michigan International Auto Show

February 1-4 at DeVos Place in Grand Rapids

The Grand Rapids New Car Dealers Association is hosting the Michigan International Auto Show Feb. 1-4, its annual auto show at DeVos Place in Grand Rapids. In addition to featuring new automotive technology, innovation, and performance, this show brings fun and exciting experiences for enthusiast and families alike.

- Visit the Subaru Loves Pets exhibit and consider adopting a new furry friend.
- The **Gilmore Car Museum** will be showcasing recent donations that have never been displayed during the show or at the museum before.
- The Midwest's only true **Automotive Salon** experience will return, featuring an exclusive lineup of Exotics, Supercars, High-Performance, and Specialty vehicles.
- Stop by the **Kids Ride and Drive!** space where kids can take a joyride and drive around the PADNOS tire-lined track.
- Head over to the Electric Avenue to see electric vehicles, old and new.

Find out more about dates, times and tickets

Charity Spectacular Preview, January 31st

To preview the show before it opens to the public, purchase a ticket to the Charity Spectacular, benefiting the kids and families of Helen DeVos Children's Hospital. This exclusive evening is the perfect opportunity to look at new cars, dance to the music of Brena, and enjoy a strolling dinner with delicious cuisine from local restaurants. <u>Ticket information</u>

Member News

New Porsche Detroit North Dealership Opens in Shelby Township

Porsche Detroit North, touted as a state-of-the-art Gen-5 Porsche dealership, has opened in Shelby Township.

The latest addition to the Rafih Auto Group, formerly Porsche Motor City, offers what owner Terry Rafih calls



"a revolutionary and immersive experience for customers and Porsche enthusiasts."

Porsche Detroit North, is 10 times the size of the dealership's previous facility, with a 40

percent increase in inventory capacity, Rafih notes. The dealership is designed to fully encompass the vision shared between Porsche Cars North America and the dealership group...<u>keep reading</u>

Art Moehn Honda Celebrates 50 Years with Honda

Chris Kudner, dealer principal of Art Moehn Honda in Jackson, recently received a 50-year award from American Honda Motor Co....<u>read at Automotive News</u>

The dealership was originally founded by Arthur Moehn in 1962 as Art Moehn Chevrolet, later adding the Honda franchise. Chris Kudner, grandson of Arther Moehn, is the third generation dealer principal.

Mechanic Honored for 20 Years at Jim Riehl Dealership

Jim Riehl's Friendly Dodge Jeep Ram of Lapeer recently honored Mike Mocny for 20 years as a mechanic at the dealership. General manager Bob Riehl presented Mocny with a ring for the occasion.



"This is a great day for me, for the group and Mike. We want long-time employees who build a relationship with customers," said Riehl during the program that included a catered lunch to dealership staff...<u>read at The County Press</u>



ADM Capitol Corner

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

<u>Click to keep</u> <u>Reading</u>

- Bezotte Retiring From Public Service At Year's End
- Whitmer Remixes The Hits With Reworked Proposals
- No Paid Family Leave Or Lowering Drug Costs In SotS, What's It Mean?
- R's Say '80s Themed SotS Keeps State Behind The Times

news headlines



Don't Wait Until It's Too Late: 3 Common Compliance Issues to Address Now

Reynolds & Reynolds | The automotive industry is dynamic and ever-changing, and so is compliance.

Regularly reviewing your documents can help reduce some of the risk posed by these frequent changes, but it isn't always easy to know what to look for. Our compliance consultants have identified a number of common issues with dealership documents through our formal F&I document review process. Keep reading for three of the most common issues found that can potentially create risk for your dealership.

Bipartisan tax package announced, signaling potential changes

Plante Moran | A bipartisan tax package was announced on Jan. 16, setting the stage for a significant tax bill to begin 2024. The announcement proposes targeted tax relief for both businesses and individuals. This package, the Tax Relief for American Families and Workers Act of 2024, faces a challenging legislative path forward. However, there appears to be strong support in Congress, so the chance that this proposal is enacted is greater than similar proposals over the past few years. Our tax experts review this tax package and evaluate its implications.

Read More

Read More

NADA Driving Ahead Podcast

Former **Super Bowl** champion turned Toyota dealer Peter Boulware talks about lessons that translate from the football field to the board room.

Click to listen

Educational Opportunities

On-demand | <u>NADA Overview of the New FTC</u> <u>Vehicle Shopping Rule</u> (requires NADA login)

Ongoing | BCBS offers weekly webinars to support your physical health, mental health and well-being. Next week's programs highlight the power of movement in nature.

- Employer webinars
- <u>Member webinars</u>
- Weekly meditation

highlighting our associate members



UHY works closely with your dealership as an active partner in your success. As your business advisor, UHY will help you navigate the twists and turns in your fastpaced industry, delivering the strategic solutions you need to gain a competitive advantage.UHY has a highly skilled team of dealership professionals



Huntington National Bank has been proudly supporting the auto dealers of Michigan for over 60 years. Huntington Auto Finance provides dealer partners with wholesale floorplan, real estate, acquisition, working capital, retail lending, and dealership banking solutions.

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MADA Fast Facts

February 2, 2024 Vol. 26 | Issue 5



CVR Inventory: New Water Wonderland Plates

Thank you for the overwhelming response and CVR inventory requests for the new green Water Wonderland plates. The response has been so great that the CVR warehouse quickly processed orders and shipped the initial inventory received. The next delivery of Water Wonderland plates is scheduled for Wednesday, February 7th. We will begin filling orders and shipping that same day. Thank you for your understanding. We look forward to getting these new plates

DEALER Plate & Tabs

to dealerships as soon as we can.

Dealers are reminded that your previous allotment of dealer plates and dealer tabs remain active through the <u>end</u> of February (Feb. 29, 2024).

MDOS continues to process and mail dealer tabs for the new year. If dealers requested new/replacement plates, these are also being processed. Plates and tabs are mailed separately, and they often arrive at different times (days or even weeks apart).

If a dealership has not received the new dealer tabs or dealer plates by mid-February, feel free to reach out to MADA. We would be happy to contact the state on your behalf to ask if there are any known delays with your specific order.

When contacting MADA, provide the dealership name and license number for the plates/tabs in question. Email Iduby@michiganada.org or call (800) 292-1923.

MDOS General Compliance Inspections: Trending Violations

The Michigan Department of State (MDOS) has shared an updated list of common violations found during general compliance inspections conducted over the past three months.

Inspections Completed: 202 dealerships | 281 repair facilities

Total violations issued: 1,382

By a large margin, the most common violation continues to be...**improper final invoice** (337 violations issued). Please reference the <u>Jan. 19 Fast Facts</u> for reminders to ensure your repair facility is properly completing invoices.

Following are other common violations

Dealer Violations:

- Failure to apply for title within 15/21 days (98 violations)
- Failed to properly complete RD-108 (70)

Mechanic Violations:

- Performing repairs without proper certification (69)
- Failed to post mechanic registration (58)
- Performed repairs with expired certification (46)

Repair Facility Violations:

- Failed to maintain records (53)
- Failed to employ properly certified mechanics (48)

For most violations found during a general inspection, dealers will receive a warning letter, followed by probationary measures if the issue is not corrected. Please reach out to MADA at (800) 292-1923 if you have questions.

Email Scam Using MADA Contact Information

A few dealers reached out this week about an email they received from "Summer Kniss, a Public Relation Officer of Michigan Automobile Dealers Association." While Summer does work at MADA, she is not reaching out to request that members submit any reports to the association. The email was fraudulent.

The email address was created with a domain similar to MADA's email addresses, but it was not in the same format. As typical with these email scams, the wording of the email was also odd.

We thank our members for alerting us to this situation, and for recognizing the red flags within the fraudulent email.

It is always smart to question emails that look a little unusual or request information you were not expecting to send.



NEWSLETTER SPONSOR

ACV is transforming the automotive industry by bringing unparalleled trust and transparency to buying and selling used vehicles. The company's efficient digital marketplace and data solutions help dealers source, evaluate, buy, sell, finance and arrange transport for used vehicles. Every ACV inspection collects over 200 data points, including over 50 images, so you can bid with confidence.

Dealer Manual Update, Chapter 8

The Michigan Department of State (MDOS), in conjunction with the Michigan Department of Treasury, has updated <u>Chapter 8 of the Dealer Manual</u>. MDOS emailed information on Tuesday to dealers who have an email address on file. We are also sharing for those who

may not have seen the update.

The section revisions are noted below:

8-1.3 Tax Rate >> verbiage changes

8-2.10 Nonprofit Organizations >> Updated Qualifying Instructions and Qualified Organizations

8-4.3 Instructions >> updated Treasury Form 485 link

8-4.4 In-transit Permits – States with No Tax Reciprocity >> verbiage, Treasury Form 485

8-4.5 In-transit Permits – "No Tax Due" States >> verbiage, Treasury Form 485

8-4.9 State Sales Tax Used for In-transits >> verbiage, Treasury Form 485

Associate Members Renewed for 2024

MADA offers associate membership to a select group of companies that support the automotive industry in Michigan and specialize in service to automotive dealerships. When reviewing your vendor relationships, please consider these companies, which have continued their membership with MADA into 2024.

Associate Members Renewed in January:

- American Fidelity Assurance Company
- Fenner Melstrom and Dooling, PLC
- Plante & Moran PLLC
- Ally Financial Inc.

MEMBER NEWS

ComplyAuto Selected To Speak At The NADA Convention

NADA has selected ComplyAuto to speak about the **nuances of the FTC's CARS Rule** for a Saturday presentation during the NADA Show. Leading the discussion will be Chris Cleveland, ComplyAuto's Co-founder and CEO. Having over a decade of automotive retail experience as the compliance director at a large Southern California auto group, Chris is in the unique position to understand how the CARS Rule will affect the many departments across the dealership. From how you advertise the vehicle to how you sell it, the CARS Rule will ripple across the industry and dealers must be prepared. Chris will join Brad Miller, NADA's Chief Regulatory Counsel, as they have a candid conversation about arguably one of the most influential sets of regulations in automotive history.

Presentation: Saturday, February 3, 4:00PM to 4:45PM PT Location: W218

NADA has also selected ComplyAuto to author a manual providing guidance on the FTC Vehicle Shopping Rule (a.k.a. "FTC CARS Rule") in its Driven Management Guide series. Both NADA and ComplyAuto will notify you once the manual is complete and ready for distribution.



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- Biden: Whitmer Is The Country's Best Governor
- In Senate Dem Caucus, Bottom Fundraisers See More P.A.s
- RFK Jr. Polls 8 % In Michigan, Takes From Trump & Biden
- MDOT Kicking Off Survey On Possible Road Usage Charges

NEWS HEADLINES



The Fed Signals End of Tightening Era

Cox Automotive | As expected, the Fed left interest rates and overall monetary policy unchanged yesterday. We have now had four straight meetings with no change in rate policy. The biggest changes from the Fed are in the language that describes their bias, which has shifted from leaning heavily towards tightening to starting to consider loosening. Rate cuts? Not yet, but that could change in just a few months.





Popular Tech Theorist Discusses Challenges on the Road to Mass EV Adoption

NADA | On this episode of NADA's podcast Driving Ahead, we welcome Geoffrey Moore, marketer, technology theorist and author known for his bestselling book Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers. Moore used electric vehicles as an example in the first edition of Crossing the Chasm in 1991. In the third edition of the book in 2014, he was able to use Tesla as a real-world example.

Read More

EDUCATIONAL OPPORTUNITIES

Feb. 15 | <u>American Fidelity: New Attacks on Noncompetes.</u> Protecting your customer list, sales territories, and proprietary information is increasingly difficult. It's important to understand what is and is not enforceable.

Feb. 21 | DADA invites Michigan dealers to <u>"Q'd Up Live" - a</u> virtual legislative presentation with State Representative



<u>Alabas Farhat</u>. Please join State Rep. Alabas Farhat & Kurt Berryman as they discuss the current 54-54 split in the state house, upcoming state budget negotiations, and several important issues directly impacting dealer businesses!

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Count on our dealer finance experts for guidance over the long term. From floor plan and cash flow management to real estate and acquisition financing solutions, we help put your vision into action.



Dawda Mann's team of automotive franchise and dealership attorneys are experts in the automotive dealership industry, possessing decades of extensive experience providing legal counsel to automotive dealership franchises and their owners concerning a wide array of legal matters, including buy-sell transactions, real estate transactions, corporate matters, succession and estate planning, loan transactions, employment matters and general litigation.

Website





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MADA Spring Dealer Meeting: A Look Ahead at the Trends Impacting Our American Auto Industry

MADA is excited to announce that Glenn Mercer will again join us during our membership meeting to discuss the dealership of tomorrow. (We last had him speak to our membership in Dec. 2019.)

Mr. Mercer is an independent automotive researcher with over 35 years of automotive experience. He has participated in hundreds of client studies, supported project work for investment firms, and been an advisor to various industry entities (including NADA). He is also a board member for automotive firms, an expert witness in automotive cases and a lecturer on automotive economics in academia.

He has extensive insight on the automotive industry and is an engaging in-person speaker. This is a presentation dealers and dealership decision-makers will want to hear. (Read the article below for Mr. Mercer's perspectives on EVs.)

Please add the MADA Spring Dealer Meeting to your calendar and join us for networking, lunch and speaker presentations!

MADA Spring Dealer Meeting Tuesday, May 14, 2024 Eagle Eye Banquet Center | Bath, MI Beginning at 11:30 am *Registration opens soon!*

"The only thing that outnumbers the EVs on the road in America today is the number of white papers, op-eds, blog posts, Twitter/X rants, and analyst reports about EVs." -- Genn Mercer

Do you really need more opinions about EVs? No, you don't. But I would be remiss if I did not post something about them. So for a recent conference I challenged myself to come up with ten different takes on EVs, riffing on the famous print series by Hiroshige, *Thirty-Six Views of Mount Fuji*. I'll split this into perhaps three parts, the first today, in the form of

occasionally-annotated pages from the PowerPoint I prepared for the conference. (And as always, thanks to the individuals and firms from whom I borrow insights!)

What has Mount Fuji got to do with electric vehicles?

In 1830s Japan the artist Hiroshige made a series of woodblock prints depicting Mount Fuji from various angles, in various seasons, and with various activities in the foreground. The point was to show that even though Fuji is just one mountain, depending on one's perspective it looks very different.

With apologies to Hiroshige, this is the situation with EVs in the USA.

- To a coal-rolling Texan pickup driver, EVs might be evil incarnate, foisted on an unwilling populace by the "deep state."
- To a Marin County yoga instructor, EVs might be a gift from God, sent by Her to save a sizzling planet.
- To a Parris Island drill sergeant, EVs are a way to avoid dependence on foreign oil.
- To his colleague, EVs are "China cars" that will make us dependent on Chinese *batteries*.

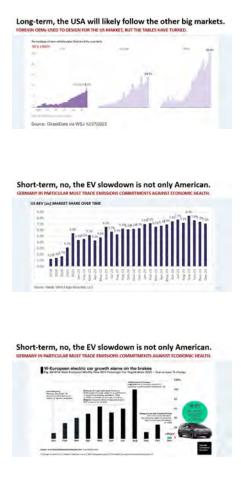
What follows are ten more "views" of EVs. I will try to show you some new things, skipping the views you've already seen (market shares, prices vs. ICE, inventories, etc.) The point is partly to inform and partly to show that holding just one view of EVs is naïve at best.

FIRST VIEW

In the long term I don't see how EV penetration does not surge in the USA. The rest of the world used to (in part) design for the American market. The tables have turned, and (in part: certainly not when it comes to pickups) we are now following the lead of the rest of the world. As succinctly put by that anonymous sage of Seeking Alpha, doggydogworld (I wish I were as blunt and undiplomatic as he is!): long-term, the USA will follow other big markets.

In the short term of course we have the famous slowdown (but please understand that a *slowing* of the growth rate is not the same as a *reversal* of the growth rate!). But it is not just an American phenomenon.

Germany, in particular, must trade emissions commitments against economic health. And if we look not across the Atlantic but the Pacific, to Japan, I'd like to make a different point. Toyota has been excoriated in the press for not being green enough, for not converting wholesale to the EV Faith. Well, I think this is unfair. It is not a simple matter of "ICE bad BEV good," though many Americans on the left and the right prefer to speak in this binary, and I think unproductive, way. Led by Toyota, the Japanese domestic market has done pretty darn well in terms of emissions reduction, via hybrids...continue reading here: <u>https://glennmercer.substack.com/p/evperspectives</u>



Also see part 2 and 3 of Mr. Mercer's perspectives on EVs (with graphics and charts) on his *Car Charts* blog:

- EV Perspectives, Part Deux: <u>https://glennmercer.substack.com/p/ev-perspectives-part-deux</u>
- EV Perspectives, Last Part: https://glennmercer.substack.com/p/ev-perspectives-





NEWSLETTER SPONSOR

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Dealership Workforce Studies Are Open

The NADA and ATD Dealership Workforce Studies (DWS) are now open for participation. The DWS is the most comprehensive examination of dealership workforce trends, including **compensation, retention and benefits**; the data it collects is widely used by dealers. It also supports



dealer associations (like MADA) as we help promote franchised dealers to state leaders.

Please click the links below for additional details on the benefits of participation in this survey.

- NADA: https://www.nadaworkforcestudy.com/default.aspx_
- ATD: https://www.atdworkforcestudy.com/

This 2024 Study closes promptly on March 29, 2024.

Feb. 27 is Presidential Primary

There are fewer than three weeks left until Election Day in Michigan's Presidential Primary and nearly 1.3 million voters have requested absentee ballots for the primary. **Starting this year, voters have new options** for casting their ballot safely and securely:

- absentee voting is underway;
- in-person early voting begins statewide on Saturday, Feb. 17; and
- Election Day is Tuesday, Feb. 27.

Secretary of State Benson reminds Michigan voters that they have the option to vote by mail using an <u>absentee ballot</u>. In 2022, Michigan voters passed Proposal 2, which created a permanent mail ballot list. Michigan voters can now join the permanent absentee ballot list by checking a box on the application to receive an absentee ballot for every election.

Please <u>click here</u> for more information from the SOS.

MEMBER NEWS

Northwood Honors Industry Leaders with Dealer Education Awards

Since 1972, Northwood University has recognized automotive dealers for contributions to education and their communities. Continuing this tradition, <u>Northwood has announced</u> the newest class of Dealer Education Award honorees.

"These honorees are leaders in the industry, and Northwood couldn't be more pleased than to recognize each and every one of them as this year's Dealer Education Award honorees," stated Murray Kyte, vice president of advancement at Northwood University.



MADA was pleased to nominate **Tim Kool, dealer at Heritage Chevrolet in Battle Creek** for this award. Mr. Kool, along with the other winners, were recognized during a Northwood University awards breakfast held during the 2024 National Automobile Dealers Association (NADA) Show.

Blue Cross Coordinated Care Portfolio Enhancements

Blue Cross Blue Shield of Michigan is committed to making it easier for members and their families to understand their coverage and access the care they need.



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

Effective January 1, 2024, we have enhanced the Blue Cross Coordinated Care portfolio to meet our customers' needs in the ever-changing market. We've improved digital capabilities and innovation to exceed market expectations, **added a new, lower-cost solution and expanded the program to the mid- and small-group market.**

Blue Cross Coordinated Care Core is the foundation of the portfolio and delivers a holistic, member-centric approach to care management for those with complex and chronic health care needs and provides dedicated high-dollar claimant review. This is the base program tier available to all Blue Cross customers.

To learn more about the recent portfolio enhancements, please visit our MI Blues Perspectives page: **BCBSM Augments Blue Cross Coordinated Care Portfolio**

To learn more about the full Coordinated Care portfolio of solutions and to get in touch with a Blue Cross representative, please visit our website: For Employers: <u>Coordinated Care</u>



ADM CAPITOL CORNER

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Click to keep Reading

- Whitmer's \$80.7B Budget Called 'Return To Normal'
- Budget Highlights: Garbage Tipping Fee Returns, Other Details
- Multiple Bills Pass House For First Time In 2024

Also in Capitol Corner this week:

Court Says: Driver Can Claim Oil Pit Fall Injuries The case of a Wayne County woman looking to use her auto insurance policy to pay off the medical bills she racked up for injuries suffered by falling in an oil change service pit can move forward.

Karen Louise Bellmore was injured May 2019 after falling into a service pit at Friendly Oil Change when a service technician asked her to approach the front of her vehicle to examine and authorize a filter replacement...

NEWS HEADLINES



EVs won over early adopters, but mainstream buyers aren't along for the ride yet

NPR | Bad headlines for electric vehicles have been piling up lately. Sales leveled off at around 9% of the new car market, and even dipped down at the start of the year. Hertz is selling off a bunch of EVs, citing low demand for them. Ford is slashing production of the F-150 Lightning. GM cut its near-term investment in EVs and is now bringing back plug-in hybrids, which run on electricity and gasoline.

Even Tesla, the all-electric juggernaut that has shaped the rise of EVs in the U.S., warned investors that it's in between "growth waves" and has a quieter year ahead.

Is it the end of the road for the much-touted EV transition? Not so fast...



The Most Overlooked Cybersecurity Protection In Business? Humans

UHY | Examining recent examples of prominent data breaches, human error has served as a common catalyst for the intensification of each breach. The ransomware that facilitated the 2021 Colonial Pipeline cyberattack was installed after hackers compromised an employee's password through phishing attempts. The 2022 cyberattack on the U.S. Department of Labor utilized two methods that impersonated department email addresses, spoofing the actual address and buying a similar domain, tricking personnel into sharing information. Whether it is clicking on a link that should not be clicked, downloading something nefarious, or other common mistakes, human performance remains the weakest piece in the cybersecurity chain during attacks.



Read More

EDUCATIONAL OPPORTUNITIES

Feb. 21 | Financial Planning: the beginning of the year is an ideal time to refresh your budget and your financial goals. Did you get a raise or a promotion? Have you checked your beneficiaries and withholding amounts? What can you do now to make tax season easier? <u>Join CAPTRUST's panel discussion</u> as we examine and suggest smart financial steps you can take this year to reach your financial goals.



Feb. 21 | DADA invites Michigan dealers to <u>"Q'd Up Live" - a</u> virtual legislative presentation with State Representative <u>Alabas Farhat</u>. Please join State Rep. Alabas Farhat & Kurt Berryman as they discuss the current 54-54 split in the state house, upcoming state budget negotiations, and several important issues directly impacting dealer businesses!

HIGHLIGHTING OUR ASSOCIATE MEMBERS



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Serving Michigan dealerships for more than 75 years, Lewis & Knopf CPAs, P.C. offers accounting, assurance, and business consulting services.





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February 16, 2024 Vol. 26 | Issue 7

MADA Announces a Leadership Change

After much planning and discussion, it was announced during a special MADA Board of Directors' session that a leadership change would take place on March 1, 2024. Terry Burns will be stepping down from the position of MADA executive vice president and James Fackler will begin leading association activities. Please reach out to James with any questions you may have and welcome him into his new position!

James Fackler has been MADA's director of regulatory compliance for the past 18 months. Prior to his time with MADA he was director of the Office of Program Support for the Michigan Department of State (MDOS), which is responsible for the creation of branch office procedures. While there, he supported the development and implementation of several new branch programs, including new legislative initiatives. Additionally, James led MDOS's Commercial Client Experience program, providing dedicated resources to business communities that interact with the state, including dealerships and repair facilities. James also worked for the MDOS Office of Government Affairs for 13 years. As the department's legislative liaison, James worked with MADA to develop dealer licensing changes that positively affected the licensing process and also helped develop Michigan's Autonomous Vehicle (AV) laws.

James resides in Haslett with his wife, and has two daughters and a son.

The MADA officers are excited for James to continue with MADA as our new executive vice president. He has valuable knowledge on interactions between the state and dealerships. And his experience with SOS business licensing, state regulatory and business compliance issues will continue to be a great asset to Michigan dealers.

James and MADA President Chris Graff have already begun traveling the state to meet dealers and discuss new opportunities to support members. Please reach out to James and the MADA staff any time you have questions or need assistance. We look forward to supporting you!

Michigan Automobile Dealers Association Spring Dealers Association Save the date! Introduction Save the date! Save the date! Introduction Save the date! Introduction Save the date!

Also see: a thank you letter from Terry Burns to MADA members

Save the date for the MADA Spring Dealer Meeting on May 14.

This will be a great opportunity to meet James in person (if you have not already) and hear what the association is working on!



NEWSLETTER SPONSOR

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Sign Up Today for IRS e-News: Clean Vehicle Industry

The IRS issued the first edition of e-News for clean vehicle industry, an email newsletter designed to provide EV tax credit updates and tips for using the Energy Credits Online portal. The IRS created the newsletter in response to feedback received from dealers and dealer associations during the NADA Show. The edition of the newsletter recently issued included important reminders and best practices for submitting Time of Sale Reports and for determining Used Vehicle Eligibility. The next edition will cover buyer versus dealer/seller responsibilities regarding MAGI. Dealers can sign up for IRS e-News subscriptions here. Simply select "e-News for businesses" and sign up for e-News for clean vehicle industry.

IMPORTANT UPDATES FROM THIS WEEK'S IRS e-NEWS

Read below or <u>view online</u>

Vehicle Returns: If for any reason a vehicle is returned, the time of sale report should be voided within 48 hours of when the initial time-of-sale report was submitted. Where the initial time-of-sale report is not voided in this timeframe, including in cases where the return was made after the 48-hour window, the seller must file a new time of sale report noting the return. The IRS will acknowledge the report notating the return.

In the case of a **new clean vehicle** that is returned after it was placed in service by the buyer, the vehicle, once returned, is not eligible for a new clean vehicle tax credit to a subsequent buyer.

In the case a **used clean vehicle** that is returned after it was placed in service, the vehicle is not eligible for a credit upon a subsequent sale if the vehicle history report reflects the prior sale that was returned. However, if the vehicle history report does not reflect the prior sale and return, the vehicle remains eligible.

Vehicle Sale Cancellation: If a sale is cancelled before the buyer takes possession of the vehicle, the vehicle will still be eligible for a clean vehicle credit upon a subsequent qualifying sale to another buyer. Please be sure to void the time-of-sale report within 48 hours of when the report was submitted to allow the VIN to be submitted on a future time-of-sale report.

Submitting Time of Sale Reports: Best practice is submitting the time of sale report just prior to the vehicle being placed in service to obtain confirmation the VIN is eligible and the report has been accepted by the IRS. Placed in service generally means when the buyer takes possession of the vehicle. Time of sale reports must be submitted through IRS Energy Credits Online within 3 days of when the vehicle is placed in service. Sellers should still

submit time of sale reports even if the report is submitted outside the 3-day window. If the vehicle is not placed-in-service, please be sure to void the time-of-sale report **within 48** hours of when the initial time-of-sale report was submitted.

Reminder: 2023 IRS Clean Vehicle Credit Annual Time of Sale Reports were due February 15, 2024

A dealership is to file an annual report for each eligible new clean vehicle (30D) and each eligible used clean vehicle (25E) sold in Calendar year 2023. If you have not filed yet, please fax the completed reports to the IRS at 855-755-7437. For more information visit the IRS website at: <u>https://www.irs.gov/credits-deductions/clean-vehicle-credit-seller-or-dealer-requirements</u>

2023 Obsolete Tab Returns - Now Overdue

A few dealers still have not returned their obsolete 2023 tab inventory. These are now overdue and must be returned immediately.

Tabs should be returned to the CVR Warehouse using a trackable carrier method such as UPS or Fed EX. Please be sure to include a copy of your available inventory report to ensure you are credited for your return. If you have any questions or concerns regarding this process contact your CVR Account Executive or CVR Support at (800) 333-6995.

- 1. Log into CVR and run an Inventory Available report.
- 2. Verify the serial numbers for the tabs on the report.
- 3. Verify that your physical tab inventory matches the report.
- 4. Mark the tabs as "OBSOLETE". Do NOT mark the tabs as Returned
- 5. Include a copy of your Inventory Available report to ensure your return is recorded properly.

TO MARK THE TABS OBSOLETE:

- From the CVR menu, navigate to INVENTORY > INVENTORY LISTS.
- Locate the inventory set, click to select and check the **AVAILABLE** box.
- Click on the top line to highlight and select CHANGE STATUS. From the NEW STATUS drop down, select OBSOLETE, enter the serial range, and SAVE.

Return your tabs & available inventory report using UPS or FedEx to:

MADA ATTN: CVR RETURNS 1500 KENDALE BLVD EAST LANSING, MI 48823

MEMBER NEWS

Bollinger Motors Names LaFontaine as Its First Commercial Dealership

Bollinger Motors, Inc., an electric commercial vehicle manufacturer headquartered in Oak Park, Michigan, has named LaFontaine Automotive Group as its first authorized dealer, with two locations in Lansing and Farmington Hills.



The Bollinger B4 Chassis Cab is an all-new, all-electric class 4 commercial truck designed from the ground up with extensive fleet and upfitter input. Bollinger's unique chassis design protects the 800V battery and components to offer unparalleled safety in the commercial market. The company anticipates deliveries of the B4 chassis cab to begin in the second half of 2024.

"We are thrilled to work with LaFontaine right here in Michigan where we designed, and will build, the B4," said Robert Bollinger, founder and CEO of Bollinger Motors...<u>keep reading</u>



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- House Passes Resolution Denouncing Shriver Posts
- Whitmer Creates New Clean Energy Transition Office
- Yellen: Inflation No Longer An Issue For Most People
- Craig Drops Out Of U.S. Senate Race, Rogers Cleared As Frontrunner
- Treasury To Mail Supplemental 2022 Working Families Tax Credit Checks Soon

NEWS HEADLINES



Perform an operational review to see how well your business is running

Fenner Melstrom & Dooling, PLC | In the wide, wide world of mergers and acquisitions (M&A), most business buyers conduct thorough due diligence before closing their deals. This usually involves carefully investigating the target company's financial, legal and operational positions.

But why let them have all the fun? As a business owner, you can perform these same types of reviews of your own company to glean critical insights.



US issues \$135 million in advance EV tax rebates since Jan 1, Treasury says

Reuters | The U.S. government has reimbursed auto dealers for about \$135 million in advance point-of-sale consumer electric vehicle tax credit payments since the start of the year through Feb. 6, the Treasury said on Wednesday.

The Internal Revenue Service has received more than 25,000 time of sale reports, including more than 19,500 - or 78% - with advance payment requests and approximately \$135 million has been paid to dealers since Jan. 1, Treasury said in disclosing the previously unreported figures.

Read More

Automotive News

40 Under 40

If you know someone under age 40 who is making a big impact at a dealership, <u>Automotive</u> <u>News wants to know!</u> (Self-nominations are welcome.)

In-person early voting launches in Michigan Voting sites will be open February 17-25. Michigan.gov/EarlyVoting

EDUCATIONAL OPPORTUNITIES

Feb 22 | <u>Managing Cyber Risk: A Business</u> <u>Approach to Protecting Your Dealership from</u> <u>Cybercrime</u>. This session will also introduce the

Cybersecure My Business program, available through your NADA membership in partnership with the National Cybersecurity Alliance.



Feb. 21 | DADA invites Michigan dealers to <u>"Q'd Up Live" - a virtual</u> <u>legislative presentation with State</u> <u>Representative Alabas Farhat</u>. Please join State Rep. Alabas Farhat

& Kurt Berryman as they discuss the current 54-54 split in the state house, upcoming state budget negotiations, and several important issues directly impacting dealer businesses!

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Bank of America provides retail loan financing and the full range of commercial banking services to automobile dealers across the United States. These services include comprehensive inventory financing, commercial loans, depository services, and merchant and treasury management services.

Website



Serving Michigan dealerships for more than 75 years, Lewis & Knopf CPAs, P.C. offers accounting, assurance, and business consulting services.





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Registration opens next week.

Do You Know When Your Repair Facility License Expires? What About Your Mechanics' Licenses?

These renewals do not follow a consistent renewal month like dealer licenses (December) or installment seller licenses (June). Dealers and their service teams are reminded to be aware of upcoming expiration dates. It is a good idea to occasionally check the licenses posted in your service department to make sure everything is current.

If you have not received the repair facility renewal form and your expiration date is approaching, email the Business Licensing Section (licensing@michigan.gov) to generate another renewal form. (You can also contact MADA for assistance!)

Keep in mind that a mechanic's renewal paperwork is typically mailed to his or her HOME address. They may have moved or it got lost in the mail - and they don't realize it's close to expiring.

To look up a license go to CARS e-Services: https://dsvsesvc.sos.state.mi.us/TAP/_/#1

- <u>Repair Facility</u>: scroll to *Business Services* >> click *Repair Facility Service* >> click Search Repair Facility
- <u>Mechanic</u>: scroll to Additional Services >> click Mechanic Services >> click Search Mechanic

Example Mechanic License Search Results:

License Type	License Status	Expiration	Repair Categories
Mechanic License	Active	02-Aug-2024	Collision-Related Mechanical Repair, Unitized Body Structural Repair
Mechanic Trainee	Active	09-Sep-2024	AUTO Engine Repair, AUTO Automatic Transmission, AUTO Manual Trans and Ayles, AUTO Front End and Steering, AUTO Brakes and



NEWSLETTER SPONSOR

ACV is transforming the automotive industry by bringing unparalleled trust and transparency to buying and selling used vehicles. The company's efficient digital marketplace and data solutions help dealers source, evaluate, buy, sell, finance and arrange transport for used vehicles. Every ACV inspection collects over 200 data points, including over 50 images, so you can bid with confidence.

Michigan Business Compliance & Regulation Division | February 2024 Newsletter

Mechanic Online Renewal

A quick mechanic renewal option was recently added to e-Services. This option does not require mechanics completing simple renewals to login through Mi-Login. A simple renewal is when there are no changes to the mechanic certificate, and the mechanic is not completing a reinstatement. The quick renewal can be done for renewals of up to five years. The renewal and reinstatement options through Mi-Login are still available for those not conducting simple renewals.

To access the mechanic quick renewal, navigate to the <u>Online Services</u> page and scroll down to the *Additional Services* section. Select the "Renew Mechanic Certification" hyperlink, answer a few verification questions, and proceed with the renewal. The department encourages all mechanics completing a simple renewal to utilize this quick renewal option. In most cases the renewal will automatically process overnight, and the certificate will be mailed the following day.

Fiscal Year-to-Date Revenue Report

The Senate Fiscal Agency recently released its January 2024 revenue report. Following are a few facts and figures from the report.

Michigan's **major taxes and net lottery** revenue totaled \$3.2 billion in January 2024, an 8.8% increase from January 2023. January tax collections were approximately \$42.1 million below the projection for the month.

General Fund tax collections were \$11.7 million above the expected level for January 2024, while **School Aid Fund tax** collections were \$45.9 million below the forecasted level. The remaining \$7.9 million in below-forecast collections was directed to other funds, most notably constitutional revenue sharing.

Net income tax revenue totaled \$1.6 billion in January 2024, a 0.4% increase from January 2023, and \$32.0 million less than the forecasted level.

Sales Tax receipts totaled \$912.7 million in January 2024, down 3.1% from the January 2023 level and \$19.9 million below forecast. In contrast, Use Tax collections totaled \$258.0 million in January 2024, a 0.5% increase from the January 2023 level and \$36.3 million above the predicted level.

Sales Tax collections from motor vehicles sales were down 10.2% from January 2023 and the lowest level since February 2023. Use Tax collection on motor vehicle sales, which primarily reflect sales of used vehicles, were down 14.3% from January 2023 and at their lowest level since January 2022.

Read the full report from the Senate Fiscal Agency

Just for Fun | The Making of License Plates

We've all heard the rumors. But do Michigan inmates really make license plates?

It turns out that prisoners in Michigan were the first to make vehicle license plates (as well as metal road signs), beginning in 1918 at a prison near Lansing. From there, the program took off, and other states instituted similar programs during the Great Depression. (wcrz.com)



WOOD-TV took a look inside Michigan's license plate plant for a 2020 story.

A group of inmates at the Gus Harrison Correctional Facility near Adrian is responsible for every license plate in the state of Michigan.

"When they say all the plates are made by inmates in the state of Michigan, I think most people think that's a fallacy" even though it's true, License Plate Factory plant manager Will Rondeau said. "We're currently making about 10,000 a day."

"It starts with a coil of aluminum," Rondeau explained. "Each coil's about 2,000 pounds. We get about five plates per pound, so each coils about 10,000 license plates."

The aluminum is then put through a press that straightens it and applies the different background options most commonly ordered through the Michigan Secretary of State. Those plate designs are stickers; whereas specialty and fundraising designs are silk-screened individually....keep reading at WOOD-TV



MEMBER NEWS

NADA Academy Graduates a New Class

NADA Academy prepares current and future dealership leaders to operate a successful and profitable automotive business, while examining the latest in industry trends and technology. We are pleased to share the list of Michigan employees who will graduate in March.

- Sydney Gallagher | Groulx Automotive
- Grant Krasemann | Dick Huvaere's Richmond Chrysler Dodge Jeep Ram
- Rob Demmer | Jack Demmer Ford Inc

This program offers various training schedules to support the needs of dealership employees. The sessions are taught by industry experts, with hands-on practical application in each area of the dealership. For more information please see: https://www.nada.org/nada/education-consulting/nada-academy

In Memoriam: Bill Ritchie Sr.



With sadness we share the news that Bill Ritchie Sr. passed away last week after a 14-year battle with prostate cancer. He was 82.

The Michigan State University graduate owned Crest Lincoln Mercury in Sterling Heights and was the 1975 president of the Detroit Auto Dealers Association. He also served as the metro representative to the National Automobile Dealers Association. He sold the dealership in the late '90s.

Mr. Ritchie is survived by his wife, Susan Ritchie; daughters Carol Ritchie and Jill Haas; sons Billy Ritchie Jr. and Robert Ritchie (Kid Rock).

Read more in the **Detroit News**.



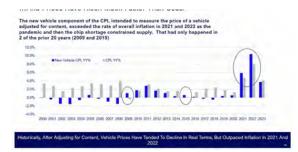
ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- Neeley: Dem. Insiders 'Stacking Deck' Against Black Candidates
- Nesbitt To Whitmer: 'Make A Backup Budget'
- Filler Not Running For Fourth Term
- Wegela Zaps Electric Utilities With Campaign Contribution Ban
- Battery, Advanced Manufacturing Challenge Launched

NEWS HEADLINES



The Affordability Crisis

Glenn Mercer | I don't want to come across as a rabid capitalist, but what the industry sees as a "crisis" I see as "the market at work." Car prices, both cash-andcarry (e.g. \$50,000) and financed (e.g. \$1,000 a month) are high right now. This results in lower volumes. Net net, revenue is actually up, as prices are up more than volumes are down, relatively. Is this a crisis? Well, we'd all like to see more models available at lower price points... I guess. But we have used cars and CPO cars for those price points, no? I know I am in the minority for saying the following, and



"Watch Me Get Fired" Videos Are Going Viral: 7 Tips for Employers to Navigate New Trend

Fisher Phillips | A scroll through social media will quickly reveal that we're in a new workplace era where the stigma attached to being fired or laid off is waning and many people are seeking solidarity online. Now more than ever, you need to ensure your managers and HR leaders are prepared to may get some hate mail for it, but are we charging *too much* for cars now, or were we charging *too little* for them before?

handle difficult conversations with professionalism and a solid plan.



Read More

EDUCATIONAL OPPORTUNITIES

On-demand | <u>The Basics of Roth Accounts</u>. Learn about Roth accounts with CAPTRUST and how they differ from other retirement savings vehicles, like employer-sponsored plans or individual retirement accounts (IRAs).

Mar. 5 | ATD Overview of EPA and CARB Electric Vehicle Mandates (Members Only)

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Transforming the way the world buys, sells and owns cars. With more than 40,000 auto dealer clients across five continents, we strive to understand your needs by pairing our insights and research with your business goals delivering inspired results to bridge the gap between consumers, manufacturers, dealers and lenders at every stage of the automotive experience.



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Please Welcome James Fackler, MADA's newest Executive Vice President

Please welcome Mr. James Fackler as the new MADA executive vice president, effective today. As we mentioned previously, James has been the MADA Director of Regulatory Compliance for 18 months and worked in various leadership positions with the Secretary of State's office prior to that. James has been preparing to take on this new role, following Terry Burns' 2023 notification to the MADA board that he would be stepping down.

We encourage all members to extend a warm welcome to James, <u>contact him</u> with any questions and take this opportunity to share your thoughts and suggestions for the association. Your insights will be instrumental in continuing to shape the direction of our association.

Meet James at the Spring Dealer Meeting

Please also register for the upcoming membership meeting on May 14, where you can meet James, network with colleagues and gain insight on the future of automotive retailing.

Our **keynote speaker will be Glenn Mercer**, an independent automotive researcher with over 35 years of automotive experience. Mr. Mercer has led project work for investment firms, has been an advisor to industry entities (including NADA) a board member for automotive firms, an expert witness in automotive cases and a lecturer on automotive economics in academia. His "Dealership of Tomorrow" presentation will discuss softwaredefined vehicles, EVs, changing channels (dealers, agents, direct-to-customer), AI in retailing, China (batteries/exporter) and more!

MADA Spring Dealer Meeting Tuesday, May 14, 2024 Eagle Eye Banquet Center | Bath, MI

See the <u>event handout</u> for more information (registration is on page 2). Dealers may alternately <u>register online here</u>.

NEWSLETTER SPONSOR



For more information about 700Credit, visit www.700credit.com.

700Credit is the industry's leading provider of credit reports, compliance solutions, soft pull products, identity theft and driver's license authentication platforms. Offerings include credit reports, prescreen / pre-qualification platforms, OFAC compliance, Red Flag solutions, adverse action and risk-based pricing notices, Safeguards protection, Synthetic ID Fraud Detection, Identity Verification, Driver's License Authentication Solutions.

MDOS is Issuing <u>Many</u> Non-Compliance Notices for Improper Off-Lease Procedures

Eric Bowden with Colombo & Colombo, P.C. has asked that we remind dealers to be familiar with proper completion of the RD-108 as it relates to lease buy-out processes. Please share with staff who handle this paperwork. The Michigan Department of State (MDOS) is frequently citing dealers for failure to comply with the lease buy-out procedures set forth in the Dealer Manual. Following is a quick overview, but dealers should also review **Chapter 3**, Section 3-4 of the Dealer Manual for additional information.

PURCHASE: purchaser's first visit to the dealership

- Record purchase date where indicated at top of the RD-108.
- In remarks section, record the words "Off-Lease Purchase" along with current mileage.
- Purchaser signs RD-108 and is given a copy (along with copies of all other signed documents).
- Enter sale information in Police Book.
- The lessor (lender) receives the purchase price and has 21 days to mail the title to the dealer.

DELIVERY: purchaser's second visit to the dealership

- Once the dealer receives the title, the lessee returns to complete the transaction.
- The title is properly assigned to the Purchaser, including the odometer mileage disclosure statement. (The Dealer <u>may not</u> sign the title on behalf of the Purchaser.)
- Enter the delivery date where indicted at top of the RD-108. (For off-lease purchases **only**, a dealer may hand write the delivery date.)
- Record the current mileage of the vehicle in the "Odometer mileage disclosure" section. (Must match the mileage entered in the title's odometer mileage disclosure statement.)
- At the time of delivery, provide the Purchaser a second copy of the RD-108 showing the delivery date and mileage. (MDOS indicates a dealer can use the original RD-108 and make a copy.)
- The Dealer has 21 days to apply to the SOS for the Purchaser's title and registration after the title has been received from the lessor.

Eric has prepared a more <u>detailed infographic showing the relevant sections of the</u> <u>RD-108</u>, along with information to be listed in each location. Please reach out to MADA if you have additional questions.

Other Common Violations on the Sales Side

Filing the Application of Title. Failure to make application for title and registration in purchaser's name within 21 days of vehicle delivery

Police book. MDOS agents will walk the lot and then pull ten deals to verify the title. Review your police book to ensure it is completed properly, including the color of the vehicle. Please

note that many DMS are not populating the **color** of the vehicle properly, and this has been an issue with the MDOS

Trade in Titles. Two copies of the trade title must be in the deal jacket, one when it is assigned to the dealer and another once assigned to the purchaser, copy of the front and back for both. A copy of the title **when purchased** and **when sold** should be in the deal jacket.

Used Vehicle Titles. Failure to possess the vehicle title before consummating the sale with the customer.

NADA & ATD Workforce Studies Showcase Benefit Offerings, Pay, Hiring, Training, and More

The NADA Workforce Study is the only authoritative and comprehensive examination of car and truck dealership employee compensation, benefits, turnover, retention, demographics, hiring trends, hours of operation and more. This study provides the latest workforce trends nationally and regionally as well as non-luxury vs. luxury brands. In addition, you can also see data across various sales volume ranges from low, medium, and high-volume stores.

Participants use the data from this study to evaluate their operations with regards to employee turnover and retention, benefits offerings, pay, hiring and training. MADA and other state associations use this data to show state leaders the valuable employment benefits dealers provide.



While participation does involve some effort to upload the

needed dealership data, participation is free for NADA members and the data you receive in return is invaluable to your business operations.

What do you get for participating in the study?

- 1. Custom Comparison Report: How Your Dealership Compares
 - · Your data vs. peer group of data

2. National & Regional Trends: NADA National & Regional Trends in Compensation, Benefits & Retention Report

- Summary and Analysis of all participants' collective data broken down by sales volume and regionally
- 3. Online Database & Search Tool
 - Custom search 60+ positions for compensation and tenure data filtering by state, brand, sales volume, manufacturer, zip code radius and more. One year access.

Also see key figures from last year, plus a preview of what dealers receive:

- NADA member handout
- ATD member handout

MEMBER NEWS

NADA Academy Graduates

MADA is pleased to share a list of additional Michigan employees who recently graduated from NADA Academy.

- Teresa Clemetson | Alma Chrysler Jeep Dodge RAM
- Marissa McCoy (class president) | Heidebreicht Chevrolet
- Jenna Mosser | Champion Hargreaves Chevrolet Co

Attending NADA Academy shows commitment to professional growth and a desire to stay ahead of the curve in this ever-changing industry. Dealers who encourage employees to further their education are helping to create a valuable leadership team.



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- Amash Announces U.S. Senate Run
- Rogers Polling Ahead Of Other Republican Senatorial Candidates
- Woz Running For Fourth Term; Thompson Has Opponent; 2nd Republican Files In H-50
- Anthony Leading This Year's Attempt To Cap Payday Loans

Also in Capitol Corner this week: Treasurer Backs 4.25% Income Tax Rate

Barring court action, Michigan's income tax rate will move from 4.05% to 4.25% in 2024 after the state Treasurer and the directors of the Senate and House fiscal agencies found that the economic conditions that triggered last year's rate drop didn't apply in 2024...

NEWS HEADLINES



Shared from Fisher Phillips



Tackling Technician Turnover

Reynolds & Reynolds | Recently, I sat down with Tim Whalen, service manager at

Surprise, Surprise: EEO-1 Reporting is Already Back! Your 5-Step Strategy Plan for Navigating 2024's Deadline

You now have your marching orders for 2024: you'll have to turn over your workforce demographic data to federal regulators between April 30 and June 4. Sound familiar? Why yes, you did just file your 2022 EEO-1 reports a few weeks ago in December 2023 and January 2024. Private employers with at least 100 employees...



Voss Chevrolet in Dayton, Ohio for a Connected episode. We had a great conversation about his philosophy for retaining technicians in an industry where turnover is a pressing issue. Tim has only lost two techs in the last five years, and he shared his insight on tackling technician turnover.

Something Tim's father taught him, that he now tells his techs, is "you should want to be the best at any job you are doing." To be "the best" tech means a lot of active training is needed to reach the top of the mountain. To bring this to life, Tim has an apprenticeship program...

Read More

EDUCATIONAL OPPORTUNITIES

Mark your Calendars!

NADA Show 2025 will take place <u>Jan. 23-26,</u> <u>2025 (Thurs-</u> <u>Sun)</u> in New Orleans Mar. 5 | ATD Overview of EPA and CARB Electric Vehicle Mandates (Members Only)

Mar. 19 | **FTC Vehicle Shopping Rule** Join NADA Chief Regulatory Counsel for the second in a series of webinars on the FTC's recently issued Vehicle Shopping Rule (or "CARS" Rule). This session will provide a deep dive on the Rule's complicated new requirements (Members only)

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Advanced dealership mobility solutions and technology from Enterprise help your business focus on reducing customer wait times, controlling costs, maintaining vehicle inventory and more.





For more than 60 years, Fenner, Melstrom & Dooling, PLC has provided strategic business consulting, tax, and audit services to privatelyheld companies and business owners seeking to

maximize profits and minimize tax liabilities. Fenner, Melstrom & Dooling, PLC takes pride in providing proactive services to its clients which include personal attention and involvement with our engagement team resulting in consistent, quality service.







MADA Fast Facts

March 8, 2024 Vol. 26 | Issue 10

On your radar ... installment seller license renewals will be emailed in April.

Reminders for Repair Facility Compliance

The Michigan Department State (MDOS) investigative unit has been following up on consumer complaints, while also maintaining its regular schedule of repair facility (and dealership) investigations.



We are hearing from a number of dealers who have been

inspected, given citations, and required to correct procedures. In most issues, staff simply was not aware of the rules and regulations, which are outlined in the Repair Facility Manual. These are easy corrections to make and we encourage dealers to ensure your entire team is receiving the proper materials and training to keep your business in compliance.

Following are two FAQs from MDOS on proper invoice procedures. (Improper invoices are a top violation cited during inspections.)

Must the final invoice given to a customer be signed by the repair facility owner?

<u>Every invoice or final bill</u> given to a repair customer must be signed by the facility owner or someone designated by the owner.

This person is not required to be a certified mechanic. The signature, however, certifies that all repairs were completed properly. If requested repairs cannot be completed properly, the signature must be accompanied by an explanation indicating the reasons why proper repairs could not be performed (MCL 257.1334).

Must a written estimate be provided even in situations where the customer is not present when the vehicle is left at the repair facility?

A repair facility is required to provide a written estimate in each instance when the price of the diagnosis, service or repair of a motor vehicle will be \$50 or more prior to repairs being performed. The price of the estimate must reflect as closely as possible the actual cost of the repair.

Even in situations where the vehicle is towed to a repair facility or left at a repair facility after hours, the law requires the facility to provide a written estimate or written waiver of estimate before beginning repairs. In these instances, the facility can comply with the law in the following ways:

- If the facility has a night drop box containing waiver forms, a customer may leave the vehicle before the facility is open, if the customer completes a waiver form (review Appendix B of the Repair Manual). The form must be signed, filled out completely and left in the drop box.
- The customer may also leave a signed note along with a signed, completed waiver describing the problem and authorizing the facility to perform repairs up to a stated dollar amount without further approval.
- The towing company may obtain a signed, completed waiver from a customer and bring the waiver with the vehicle to the facility.
- The facility may send a copy of the estimate to the customer by mail, fax, or electronically (only if the customer agrees) before performing repairs. If the customer declines an electronic estimate the repair facility must provide a printed estimate to the customer. The customer may sign the estimate and return the signed form.
- The customer may come to the facility before any repairs are performed to receive the written estimate.

MDOS provides many resources to help repair facilities maintain compliance with the rules.

- Repair Facility FAQs
- Repair Facility Manual
- Repair facility checklist

MDOS also offers **free virtual trainings** to repair facility owners, managers, service advisers, and technicians on the basic requirements of the Motor Vehicle Service and Repair Act and relevant industry information. Repair facilities can register online through e-Services under Repair Facility Services.

NEWSLETTER SPONSOR

CREDIT | COMPLIANCE | SOFT PULLS

For more information about 700Credit, visit www.700credit.com.

700Credit is the automotive industry's leading provider of credit reports, compliance solutions, soft pull products, identity theft and driver's license authentication platforms. The company's offerings include credit reports from all 3 bureaus, prescreen and pre-qualification platforms, fully automated compliance platform, Synthetic ID Fraud Detection, Identity Verification and Mobile and In-Store Driver's License Authentication Solutions.

CDC Updates and Simplifies Respiratory Virus Recommendations

The Centers for Disease Control (CDC) has <u>released</u> updated recommendations for how people can protect themselves and their communities from respiratory viruses, including COVID-19.

The updated Respiratory Virus Guidance recommends that people stay home and away from others if they have respiratory virus symptoms that aren't better explained by another cause.

An individual can return to normal activities when, for at least 24 hours, both are true:

- Symptoms are getting better overall, and
- No fever, and not using fever-reducing medication.

The CDC further recommends that, when returning to normal activities, take added precaution over the next 5 days, such as taking additional steps for cleaner air, hygiene, masks, physical distancing, and/or testing when around other people indoors.

More from the CDC:

- Preventing Spread of Respiratory Viruses When You're Sick
- <u>Respiratory Virus Guidance Update FAQs</u>

OSHA looks to the CDC as a source of guidance on what employers should do to keep workplaces safe.



NADA Market Beat: February 2024 New Light-Vehicle Sales Finish Strong

New light-vehicle sales for February 2024 exceeded expectations. February 2024's SAAR totaled 15.8 million units, up 6.3% from February 2023 and up 6% from January 2024, which had seen a 10-month low. More vehicles on dealer lots coupled with higher OEM incentives helped drive the sales increase.



According to J.D. Power, average incentive spending per unit is expected to total \$2,565 in February—an increase of 75.3% year over year and the highest level since May 2021. One of the drivers of increased incentive spending, says J.D. Power, is more OEM incentives for leasing. In February 2024, leasing will likely account for 23.2% of retail sales. Despite higher incentives and a lower average transaction price of \$44,045 in February—which was down \$1,919 year over year—the average monthly payment on a new-vehicle finance contract should remain flat year over year at \$722, says J.D. Power.

The crossover segment continues to grow and remains the largest new-vehicle segment in the industry. Through February 2024, crossovers made up 49.9% of all new vehicles sold, up 3.2 percentage points in market share from the same period last year. Alternative-fuel vehicles represented 18% of all new vehicles sold through February 2024, an increase of 3.6 percentage points in market share compared with the same period in 2023. Hybrids have seen the largest market share jump so far this year, rising 2.7 percentage points year over year to 8.5%.

For the rest of the year, we expect to see inventory continue to increase gradually and OEM incentive spending to follow suit. The industry will continue to stabilize throughout 2024. Our annual forecast for new light-vehicle sales is 15.9 million units.

View the full report

MEMBER NEWS

Expanded Condition Management Solutions Now Offered to Blue Cross Fully Insured Groups

Nonprofit corporations and independent licensees of the Blue Cross and independent licensees of the Blue Cross and Blue Shield Association

Blue Cross Blue Shield of Michigan and Blue Care Network are working with Teladoc Health to offer additional condition

management solutions at *no additional cost to fully insured group customers*. In addition to the existing Diabetes Management program, new programs available to fully insured customers include Diabetes Prevention, Hypertension Management and Weight Management. These programs were formerly known as Livongo® diabetes and hypertension solutions.

The programs are now part of a broader condition-specific solutions portfolio for group customers. Blue Cross initiated the expansion of these valuable programs to empower fully insured members who have these chronic conditions to live better, healthier lives as well as improve their clinical and financial outcomes, ultimately helping to better control healthcare spend for group customers. For qualifying members, these programs are available at no additional cost.

For additional information regarding these newly offered programs and the full spectrum of condition-specific programs offered by Blue Cross, please visit <u>Condition Management</u> <u>Solutions</u> or contact a licensed Blue Cross agent.



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- House Staff Beginning Unionization Effort
- 4.25 Percent Income Rate Stands After Appeals Court Ruling
- Study: State Should Rely On Toll Roads, Not Fuel Tax
- Whitmer Woos South Korean Battery Part Cooling Co.

Also in Capitol Corner this week: Panel Plugs Into EV Charging Tax Credit Discussion

Costs of installing a fast-charging station(s) is about \$500,000, said Kurt BERRYMAN of the Automobile Dealers of Michigan. It's a heavy investment and if it's considered personal property or real property that could be taxed on every year, installation becomes a disincentive.

NEWS HEADLINES





Identity fraud is more sophisticated and widespread. Here's how dealers can fight back

Automotive News | If a customer comes into the finance and insurance office and buys every add-on product, it is probably too good to be true.

In the first half of 2023, manufactured identities had access to \$1.8 billion in automotive loan credit, up from \$869 million in the first half of 2021, according to TransUnion. The rise in fraud also has brought about a corresponding surge in new fraud protection technologies from companies such as Experian, Equifax, Cox Automotive and 700 Credit.

Read More

Move clocks forward an hour for Daylight Saving

Detroit Free Press | Prepare yourself emotionally: You are about to lose an hour of sleep. Daylight saving time starts at 2 a.m. on **March 10, 2024**, the second Sunday of March. Here's everything you need to know about the time change — and why it's saving, not "savings," as often mispronounced.

Read More

Bonus fun fact: Not all states participate in daylight saving time. Arizona and Hawaii are the only two who have opted out.

EDUCATIONAL OPPORTUNITIES

Save the Date

NADA Show 2025 will take place Jan. 23-26, 2025 (Thurs-Sun) in New Orleans Mar. 19 | **FTC Vehicle Shopping Rule** Join NADA Chief Regulatory Counsel for the second in a series of webinars on the FTC's recently issued Vehicle Shopping Rule (or "CARS" Rule). This session will provide a deep dive on the Rule's complicated new requirements (Members only)

Apr. 3 | <u>Safeguarding Against Online Tracking Lawsuits</u> ComplyAuto will share the latest on FTC privacy enforcement, changes to state privacy laws, and recent legal action taken against dealerships.

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Reynolds and Reynolds offers the industry's only Retail Management System to help dealerships manage every area of operation. Whether it's signing F&I documents, upselling in a virtual environment, or recommending service work to off-site customers, only Reynolds helps you streamline operations to improve efficiency and maximize every profit opportunity.



Rehmann has provided one-on-one financial services to businesses throughout Michigan since 1941. Offering a specialized team of business consultants, corporate investigators, tax service providers & dealership CFOs who understand the unique needs of auto dealers.





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March 15, 2024 Vol. 26 | Issue 11

MADA's May 14th Meeting Offers a Look At The Dealership of Tomorrow

MADA reminds dealers and decision makers to register for the MADA Spring Meeting on May 14th at Eagle Eye Banquet Center. This program is open to all MADA dealers, dealership staff and invited guests. Thanks to generous support from sponsors, <u>there is no cost to attend.</u>

- 11:30 am | The program will begin with a short **networking** opportunity catch up with colleagues around the state, "talk shop" and visit with a few our our signature MADA partners.
- 12:00 pm | During **lunch** attendees will be updated on important legal and regulatory issues, plus news about association plans and activities.
- 1:00 pm | Our **keynote speaker** is Mr. Glenn Mercer, an auto industry researcher and consultant specializing in dealerships of the future. At NADA's request, he shared his newest findings at the NADA Show 2024. We are pleased to have him join us in Michigan to go over his research, with an opportunity for attendee questions and discussion.
- 2:15 pm | Guests are welcome to stay for a short **reception** following the presentations. New executive vice president, James Fackler, is looking forward to personally meeting attendees. We will also draw names for a few fun giveaways from MADA and some of our association partners.

We hope you will join us! Please click here to register.



Learn More

NEWSLETTER SPONSOR

Reynolds and Reynolds offers the industry's only Retail Management System to help dealerships manage every area of operation. Whether it's signing F&I documents, upselling in a virtual environment, or recommending service work to off-site customers, only Reynolds helps you streamline operations to improve efficiency and maximize every profit opportunity.

IRS Reminds Dealers To Authorize Additional

Users For IRS Energy Credits Online

IRS Energy Credits Online allows for multiple users to be registered on behalf of the organization. The first user to register on behalf of an entity will be assigned as a **'Clean Energy Officer'** for the entity. This user has access to all IRS Energy Credits Online functionality for the entity. This includes the ability to authorize additional users and assign permissions.

For any subsequent users to gain access to IRS Energy Credits Online functionality, the first user to register on behalf of an entity must directly, or by authorizing additional Clean Energy Officers, authorize each subsequent user's access. This person should pay close attention to the roles assigned to other users in their organization.

- Clean vehicle dealers or sellers should generally assign employees who need access to submit Time-Of-Sale Reports and/or request Advance Payments access the "dealer/seller" role. Users assigned the "dealer/seller" role can't manage other users permissions.
- Users requesting elective pay election, transfer election, or semi- conductor manufacturer registration numbers should generally be assigned the "Clean Energy Delegate" role or "CE Third Party User" role if they do not need authority to manage user permissions for the entity.

For more information see Publication 5902, <u>Clean Energy Authorization Permission</u> <u>Management</u>

To subscribe to the IRS e-News for Clean Vehicle Industry email list go to <u>https://www.irs.gov/newsroom/e-news-subscriptions</u> and scroll down to the e-News for businesses section.

News from NADA...

FCC Issues Final Rule Clarifying TCPA Consent Revocation Requirements for "Robocalls" and "Robotexts"

What's new: On March 5, 2024, the Federal Communications Commission (FCC) published a <u>final rule</u> that clarifies several important factors for compliance with the Telephone Consumer Protection Act ("TCPA"). It specifically addresses the prohibition on so-called "robocalls" or "robotexts" and honoring consumer revocation of consent from receiving such calls or text messages.



Why it matters: The TCPA restricts marketers (including dealerships) from sending text messages or making autodialed (or prerecorded) marketing phone calls to consumers unless they have received the prior express consent of the called party. Even if they obtain consent, marketers must promptly and accurately honor consumer requests to stop – that is to revoke consent.

Tell me more: Specifically, the FCC is adopting rules that:

- 1. clarify that revocation of consent can be made in any reasonable manner, with examples;
- 2. require that callers honor do-not-call and consent revocation requests within a reasonable time not to exceed 10 business days of receipt;
- 3. limit text senders to a one-time text message confirming a consumer's request that no further text messages be sent; and
- 4. confirm that any revocation of consent applies only to those robocalls and robotexts for which consent is required.

What's next: The rule generally takes effect April 4, 2024. While many of the rules' requirements are consistent with previous FCC (and NADA) guidance, dealers, their attorneys and vendor partners should review the final rule to ensure that they can and do comply with these new TCPA requirements. This may require training of staff and working with your outside vendors, as well as taking steps to be able to demonstrate compliance with the new rules.

Some Michigan Taxpayers Eligible for Severe Storm Tax Relief, Filing Deadline Extended

The Internal Revenue Service recently announced tax relief for individuals **and businesses** in parts of Michigan affected by severe storms, tornadoes and flooding that began on Aug. 24, 2023. These taxpayers now have until June 17, 2024, to file various federal individual and business tax returns and make tax payments.

The IRS is offering relief to any area designated by the Federal Emergency Management Agency (FEMA). Currently, this includes Eaton, Ingham, Ionia, Kent, Livingston, Macomb, Monroe, Oakland and Wayne counties. Individuals and households that reside or have a business in these localities qualify for tax relief...keep reading

MEMBER NEWS

MADA Associate Member Highlight: ACV

Don't miss out on the inventory you need

ACV is transforming the automotive industry by bringing unparalleled trust and transparency to buying and selling used

vehicles. The company's efficient digital marketplace and data solutions help dealers source, evaluate, buy, sell, finance and arrange transport for used vehicles. Every ACV inspection collects over 200 data points, including over 50 images, so you can bid with confidence.

ACV's used car auctions are 100% online and run daily, so you can find inventory from your phone or desk without having to travel to a physical auto auction. By using ACV's wholesale solutions, dealers report saving 20 hours per month on average. That's less time out of the office and more time focusing on your customers. Additionally, ACV consumer solutions help dealers buy an average of 15 more vehicles per month from consumers through its condition-enhanced pricing technology.

ACV offerings include ACV Auctions, ACV Transportation, ACV Capital, ACV MAX, True360 and ClearCar. Sign up for free now at <u>acvauctions.com</u> or call 1-800-553-4070.



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

• 36 Percent Payday Loan Cap Approved By Senate



Click to keep Reading

- Biden Keeps Saginaw Campaign Visit Low Key
- Cavanagh, Bayer Bills Lift MCCA Per-Vehicle Fees On Drivers Without Unlimited PIP
- Border Security Surpasses Inflation As Top Issue In Battleground Districts

NEWS HEADLINES



Independent contractor vs. employee status: The DOL issues new final rule

Fenner Melstrom & Dooling, PLC | The U.S. Department of Labor's (DOL's) test for determining whether a worker should be classified as an independent contractor or an employee for purposes of the federal Fair Labor Standards Act (FLSA) has been revised several times over the past decade. Now, the DOL is implementing a new final rule rescinding the employer-friendly test that was developed under the Trump administration. The new, more employee-friendly rule took effect March 11, 2024.

The final rule enumerates six factors that will guide DOL analysis of whether a worker is an employee under the FLSA.



New Tool: Check for Recalls by License Plate

The National Highway Traffic Safety Administration has launched a new tool allowing consumers to check for recalls using only a vehicle's license plate number, making it even easier to learn about new recalls.

- Visit NHTSA.gov/recalls.
- Select your state.
- Enter your vehicle's license plate number (VIN can still be used if you prefer).
- Search to find out if your vehicle is subject to an open safety recall.

Read More

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Battle Creek SOS Closed for 2 Weeks

The SOS branch at 5420 Beckley Road in Battle Creek will be closed **Mar. 18 - 29.** Normal service will resume Apr. 1.

SOS Notice

EDUCATIONAL OPPORTUNITIES

Apr. 3 | <u>Safeguarding Against Online Tracking Lawsuits</u> ComplyAuto will share the latest on FTC privacy enforcement, changes to state privacy laws, and recent legal action taken against dealerships.

On Demand | Join ATD and the Regulatory Affairs team as they provide an overview of the new <u>CARB regulations</u>, the EPA NOx regulation, the pending EPA GHG Phase <u>3 regulation</u> and the impact they will have on the truck market. (Members Only)

HIGHLIGHTING OUR ASSOCIATE MEMBERS

REVIVER

Digital License Plates | Learn more about Reviver's win-win dealer partner program and how digital license plates can help accelerate your profit growth and ignite sales conversations with customers. Reviver offers your dealership new revenue streams, streamlined plate management and brand differentiation.





For over 75 years, Colombo & Colombo, P.C. has been extensively involved in representing automobile dealerships and their trade associations. Many Michigan dealerships rely on Colombo & Colombo for litigation matters as well as advice on matters involving the legal aspects of operating a dealership. Our experience makes the difference.





Supporting Michigan's franchised dealers for more than 100 years!

Michigan Automobile Dealers Association | <u>news@michiganada.org</u>

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Electronic Titles & Assumption of Lien

Reminder: assume lien first -- then pay off lienholder

The Michigan Department of State (MDOS) and MADA would like to remind dealers of the proper procedure when processing a trade-in or purchase that has a lien and an electronic title.



To ensure that the vehicle is in the dealer's name before a new title is issued, please follow these steps:

1) Look up the VIN on e-Services to determine if there is an electronic title

- 2) If the title is electronic
 - first assume the lien in e-Services
 - then request either paper or electronic title
- 3) Pay off the lienholder

This ensures the title will be in the dealership's name prior to the loan being paid off, which signals that the title should be provided to the dealership. We don't want a free and clear title being mailed to the former owner!

To validate the title is in the dealer's name, use the title lookup feature in your dealer account. It will show the owner, title type (paper or electronic), mileage and issuance date. Keep this copy in your deal jacket as proof.

Not sure if you should request the new title in paper or electronic version? The following are common reasons a dealer will request a **paper** title: Auction - Out of state - Wholesale.

If you have additional questions about electronic titles or liens please contact Debbie Korn at (800) 292-1923 or email <u>dkorn@michiganada.org</u>.



Learn More

NEWSLETTER SPONSOR

LAW®, a Reynolds & Reynolds product, offers a range of documents to cover any F&I need, including the popular LAW® 553® Retail Installment Sale Contract and comprehensive state-specific F&I libraries. Have peace of mind knowing you are working with the automotive leader for standardized, legally reviewed F&I documents.

Ally All Ears Podcast | Tips To Help You Protect Your Dealership From Theft & Fraud

Aaron Lee, senior director at Ally Dealership Insurance, recently recorded a theft and fraud podcast, which is posted to Automotive News. The podcast offers excellent reminders to help safeguard your vehicle inventory and spot potentially fraudulent auto loan applications. The full podcast is available here (audio and script provided), but we have also highlighted a few points below:

Key control. So, dealers should look into and consider using key machines for all their vehicle keys, the inventory, as well as their customer vehicles. The thieves aren't always just looking for the dealership inventory. The vehicles that the dealerships have on their property that may be in for service from customers are also susceptible to theft as well. So, if they look to use a key machine that is hidden in a locked room without windows and then making sure that they're monitoring activity into and out of that machine so they can keep an inventory of where the keys are at any given time.

Physical access to the vehicles. So, if they look at the dealer lot and think about if someone were to get on the property and steal a vehicle, can they get that vehicle off of the lot? And if they can, what are some ways that we might be able to prevent that vehicle from leaving the property? So that's things like fencing, poles or boulders around the property, ram-proof gates are all things that dealers can consider in increasing the physical security of their location.

High value vehicles. These may be prime targets for theft, dealers can do things as simple as removing the battery or a fuel sensor or fuses, things to just make it harder for the vehicle to start so that it's less convenient for a thief to be able to access and steal that vehicle quickly.

<u>Click here</u> to listen to the full podcast, which provides additional reminders to help employees detect fraudulent documentation.

Northwood University: Full Tank Auto Camp

In 2023, General Motors gifted Northwood University \$100,000 to host an automotive camp. Following the <u>camp's success last year</u>, GM has contributed another \$100,000 for this year's Full Tank Automotive Camp, which is aimed at students entering high school or currently in high school for the following school year.

<u>Registration is now open</u> for this five-day camp experience, which offers students an opportunity to explore the automotive industry. "Students will learn about careers throughout the automotive industry, including design, development, manufacturing, sales, marketing, service and aftermarket," explained Elgie Bright, who chairs the Automotive Marketing/Management program at Northwood University.

The residential camp offers hands-on exploration that can help jumpstart a future business

leader's career in automotive. Full Tank Auto Camp will be held from Sunday, June 23 to Friday, June 28 in Midland at Northwood University.

Full Tank Auto Camp

Seven Warning Signs of Incorrect Employee Retention Credit Claims

To counter promoters that marketed misleading information about the Employee Retention Credit (ERC), the Internal Revenue Service urged businesses to review seven suspicious signs of a bad claim and see if the agency's special programs can help them avoid future compliance issues.

This is a very condensed version of this week's reminder email from the IRS. Please see <u>IR-2024-75</u> for more complete information.

1) Too many quarters being claimed. Some promoters urged employers to claim the ERC for all quarters that the credit was available. Qualifying for all quarters is uncommon.

2) Government orders that don't qualify. Some promoters told employers they can claim the ERC if any government order was in place in their area, even if their operations weren't affected or if they chose to suspend their business operations voluntarily. This is false.

3) Too many employees and wrong calculations. Employers should be cautious about claiming the ERC for all wages paid to every employee on their payroll.

4) Business citing supply chain issues. Qualifying for ERC based on a supply chain disruption is very uncommon. A supply chain disruption by itself doesn't qualify an employer for ERC.

5) Business claiming ERC for too much of a tax period. It's possible, but uncommon, for an employer to qualify for ERC for the entire calendar quarter if their business operations were fully or partially suspended due to a government order during a portion of a calendar quarter.

6) Business didn't pay wages or didn't exist during eligibility period. Employers can only claim ERC for tax periods when they paid wages to employees.

7) Promoter says there's nothing to lose. Businesses should be on high alert with any ERC promoter who urged them to claim ERC because they "have nothing to lose." Businesses that incorrectly claim the ERC risk repayment, penalties, interest, audit and other expenses.

Employers who improperly claimed ERC can avoid penalties and interest – and even get a discount on repayments if they **apply by March 22, 2024,** to the **ERC Voluntary Disclosure Program**.

MEMBER NEWS

MADA Associate Member Highlight: Reynolds & Reynolds Document Services



Big things are happening with LAW®- the trusted source for standard automotive F&I documents

As a proud partner of the Michigan Automobile Dealers Association, Reynolds Documents Services is pleased to announce the launch of its brand new LAW website, <u>LAW553.com</u>, giving you unlimited access to a wealth of F&I knowledge. On the website, you can learn about: why we are the brand you can trust, our century-long history, the markets we serve, and the solutions we offer.

Unsure of where your dealership stands on F&I document compliance? No worries! We now offer free F&I Document Reviews to help dealerships gain clarity on their compliance. The review involves the collection of all of your customer facing documents that are used in retail and lease deals and providing an assessment of how you can manage your compliance responsibilities. Don't wait until it's too late, now's the time! **contact info: LAW@reyrey.com or 800.344.0996**



ADM CAPITOL CORNER

This legislative and political news update is taken from MIRS, Lansing's oldest, independent daily capitol newsletter, launched in 1961. This update is provided by the Auto Dealers of Michigan, LLC.

Click to keep Reading

- Whitmer Didn't Sign Off On SOAR Siphon
- MICRC Votes Itself 40 Percent Pay Hike During Mapping
 Time
- Republicans Showing More Voter Enthusiasm than Dems
- State Unemployment Rate Remains Stable In February
- \$160 M In Economic Impact Estimated For NFL Draft

NEWS HEADLINES



Six Defendants to Stand Trial on Allegations of Criminal Enterprise Targeting Accident Victims

Michigan Attorney General | Five Michigan defendants and one New Jersey man were bound over to stand trial in the 16th Circuit Court in Macomb County on charges alleging the group operated an auto insurance fraud scheme targeting Michigan residents involved in automobile collisions.



Emissions Rules Soften As BEV Demand Slows

Wards Auto | Bowing to consumer interest and softening demand for battery-electric vehicles in an election year, the Biden Admin. has backed off its clean-air regulations designed to have BEVs comprise 50% of new-vehicle sales by 2030.

The concession, brokered with the Department of Energy (DOE) and the White House by the Alliance For Automotive Innovation and the Congressional It is alleged that, beginning in 2013, Michael Angelo, of New Jersey, ran a lawyer hotline, 1-800-USLawyer, and funneled auto accident callers into an elaborate insurance fraud scheme... Automotive Caucus, will help automakers avoid heavy financial penalties potentially reaching \$10.5 billion through 2032.

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EDUCATIONAL OPPORTUNITIES

MADA Member Webinar > > Thursday, April 18th at 10am (30 min)

Blue Cross Behavioral Healthsm - Resources to Help You and Your Employees to Think and Feel Better

May is Mental Health Awareness Month, and Blue Cross wants to ensure group customers have the information they need to promote available mental health resources to their members.

According to the <u>National Institute of Mental Health (NIMH)</u>, more than one in five American adults lives with a mental illness. Blue Cross Blue Shield of Michigan is addressing this by providing a variety of resources to help its members get the help they need, including everything from self-guided mental health tools to virtual care options, as well as care navigation resources and specialty programs for higheracuity patients.

Join Shalini Khandelwal, Director of Behavioral Health Strategy, for a **30-minute webinar on Thursday, April 18th, 2024, at 10am** as she discusses Blue Cross' advanced behavioral health capabilities that prioritize member well-being, streamline care coordination, and drive positive outcomes. This webinar offers a unique opportunity to learn about Blue Cross' commitment to accessible, high-quality behavioral health care services.

Sign up here: Blue Cross Behavioral Health webinar

Secure your spot today and unlock the keys to a healthier, happier tomorrow.

HIGHLIGHTING OUR ASSOCIATE MEMBERS



With 30 years of experience in the energy industry, the IGS family of companies provides natural gas, electricity, solar, LED lighting solutions and alternative fueling options to over one million customers across the country. As the preferred energy partner to the MADA, IGS is focused on helping members make the best energy decisions for their business.



MRA is one of the largest and most established credit card processors in Michigan. We understand you want simplicity and you need to save money when it comes to credit card processing. MRA saves members an average of 23 percent on credit card processing fees using an easy-to-understand approach. We service all major credit cards and offer a



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MADA Fast Facts

March 29, 2024 Vol. 26 | Issue 13

Registration for MADA Spring Meeting -- coming to your mailbox soon

Complimentary MADA Member Event for Dealers & Key Managers

Scheduled for **Tuesday, May 14**, the **MADA Spring Dealer Meeting** is the perfect opportunity **for dealers and dealership decision makers** to network, get updated on current industry hot topics and hear from a nationally recognized automotive expert.

The **program begins at 11:30 am** with a networking reception, leading into a lunch break, giving attendees ample time to catch up with friends, engage with like-minded professionals and exchange ideas.

Following lunch, Chris Graff, 2024 MADA president, and James Fackler, MADA's new executive vice president, will introduce several guest speakers. Attendees will hear from our legal counsel on current issues to be aware of, with guidance to help your business steer clear of legal trouble. Kurt Berryman will provide insight on happenings at the Michigan Capitol (it's a weird year!). We will also share updates on the association, plus additional activities and opportunities to get involved.

With Glenn Mercer as keynote speaker, we will hear how various technologies are changing the customer experience and delve into the trends shaping the automotive landscape. During his keynote address, Mr. Mercer will offer his insights into the current state of the automotive industry, the challenges we face, and, most importantly, the opportunities that lie ahead. From the rise of electric vehicles, the integration of AI and automation, to changing dealer-agent-direct sales channels and the automotive relationship with China, his address will cover important industry dynamics.

Thanks to the generous support of a select group of sponsors (see below), MADA does not charge dealers a registration fee for this program.

Check your mail next week for event registration information, or <u>register online here</u>. We hope to see you in May!





For over 75 years, Colombo & Colombo, P.C. has been extensively involved in representing automobile dealerships and their trade associations. Many Michigan dealerships rely on Colombo & Colombo for litigation matters as well as advice on matters involving the legal aspects of operating a dealership. *Our experience makes the difference.*

MARCH 29 NOMINATION DEADLINE: NADA Director, Outstate Michigan

Colombo

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NADA previously notified members that Wes Lutz would be stepping down as the NADA director for outstate Michigan. NADA also mailed a nomination ballot to each member location earlier this month. **We remind you that the original nomination ballot must be returned, postmarked no later than March 29, 2024.**



To qualify as a nominee, an eligible member must receive at least 10 percent of the total votes cast in the nomination process. If there are two or more qualified nominees, election ballots will be mailed on April 19, 2024, to be returned postmarked no later than May 10, 2024.

March 2024 article from Driving Your Success, a Charapp & Weiss newsletter

Certified Pre-Owned Vehicles

Consumers view certified pre-owned (CPO) vehicles as the gold standard and something more than just a run-of-the-mill used car. Whether it's a manufacturer's CPO program or your own certification, dealers must properly disclose the CPO status of a vehicle.

With the Federal Trade Commission (FTC) hot on dealers' heels, the FTC is looking for advertising that could appear deceptive. Dealers that have their own "certified" program need to identify that the CPO vehicle for sale is either the dealer's certification or a manufacturer's CPO vehicle. Otherwise, consumers will think the certification is one from the manufacturer. Lack of accurate disclosure opens dealers up to allegations of deceptive practices. The FTC views lack of disclosure as unfair and deceptive, and so do plaintiffs' attorneys. Plaintiffs' attorneys have developed lawsuits based upon the theory that a used car certification is a representation of quality that, if not true, justifies not only a recovery for compensatory damages but punitive damages for the fraudulent misrepresentation inherent in the certification claim.

For dealers that have their own CPO program, it must be clear what the term "certified" means. If it's under their own program, dealers cannot just advertise "Certified Pre-Owned" without providing who has certified the vehicle and under what program. Consumers automatically think a "Certified" vehicle means it is meeting a manufacturer certified program rather than a dealer's own certified program.

What are the dealer's developed standards that make this vehicle certified? Do those standards significantly benefit the customer by ensuring that the vehicle is in good mechanical condition, is free from serious body damage or flood damage, and meets some objective quality standards?

Keep Reading

EV Charger Resources for DTE Customers



DTE Energy recently launched a new program to help your EV customers obtain information about at-home charging.

The Home EV Charger Installation service makes it easy for Michigan residents to get a Level 2 EV Charger or a 240-volt outlet installed for their vehicle. The DTE online portal helps owners through the process of getting a free quote, setting up an installation date and having a DTE-certified electrician install the charger.

Dealers are encouraged to share this **<u>DTE handout</u>** with EV customers in DTE's service area.

DTE would also be happy to provide dealerships with a free pedestal sign to display in your showroom. Please <u>email DTE's Patrick Donnelly</u> to request a sign for your store and it will be shipped directly to your showroom.

COMPLYAUT

Dealers Being Targeted for Wiretapping Lawsuits

There has been a significant uptick in litigation and attorney demand letters across our industry alleging wiretapping in connection with dealers' websites. These cases are based on claims that certain standard features on dealership websites - namely cookies, scripts, and tracking pixels - might function in violation of state and federal wiretapping laws. One specific feature that plaintiffs' attorneys have identified under this legal theory is Google Analytics.

This is a national concern. For instance, **a dealership in <u>New Jersey was recently sued</u>** <u>for violating California wiretapping laws</u>. Many of these cases are being filed as class actions.

The FTC, under its UDAP authority, has also taken an interest in investigating online tracking of consumers' personal information, without consent or by using deceptive tactics to obtain users' consent.

To help you navigate this challenging landscape, ComplyAuto is taking the initiative to equip dealers with both the knowledge and tools to fortify their online privacy practices. We invite you to attend an upcoming webinar that will delve into this recent surge in wiretapping claims, FTC enforcement actions, and other legal challenges related to cookie tracking consent and online privacy violations. ComplyAuto has also compiled a factsheet to help dealers understand this dynamic issue.

- Webinar Registration >> April 3 at 2:00pm EST
- <u>Complimentary Factsheet & FAQ</u>

Both resources are education and you do <u>not</u> need to be a ComplyAuto customer to access the information.

MEMBER NEWS

MADA Endorsed Provider Highlight: MADSIF Workers' Comp



MICHIGAN AUTO DEALERS SELF-INSURED FUND

The Michigan Auto Dealers Self-Insured Workers' Compensation Fund (MADSIF) was created by MADA and a group of dealers more than 30 years ago, specifically to benefit Michigan dealerships. It is run by a 13-member Dealer Board of Trustees, each with a strong history in the business. With their leadership, 25-40% in cash surplus is returned to MADSIF's 250+ members year after year. These new car and truck dealers have also made aggressive claims handling, employee training and continuing education a top priority to ensure dealerships have the resources to maintain MIOSHA compliance.

MIOSHA inspections are increasing, and fines are skyrocketing. If your dealership has not yet looked into the benefits of MADSIF -- now is the right time to get more information. MADSIF has already welcomed six new members in 2024, and they are proud to celebrate another year of 100% member retention!

MADSIF's program supports dealers and employees through:

- Partner-based claims management
- Safety training for all new and existing employees
- Resources to prepare for MIOSHA visits & fine prevention
- Webinars, in-person trainings and one-on-one time

The MADSIF Board of Trustees has also approved the distribution of eye protection, as eye injuries are typical in the dealership industry.

Learn more about MADSIF:

- Dealers on the MADSIF Board of Trustees
- Free loss control services
- Email fund administrator, Jennifer Monkiewicz jmonkiewicz@madsif.com

NEWS HEADLINES



CarGurus study shows shift to online car buying, decline in brand loyalty

CarGurus has published its sixth annual U.S. Consumer Insights Report. The report reveals how consumer behavior has changed in the face of a highly competitive automotive market characterized by rising interest rates and costs, a growing selection, and more opportunities for workfrom-home options.

The study focuses on the reasons and locations behind people's buying and selling decisions, examining how they prefer to complete some or all of the transaction process online. It is conducted among recent vehicle buyers and/or sellers. The report also comprehensively analyzes attitudes following the car buying transaction.



How High Interest Rates Propel Borrower Fraud in Auto Financing

Point Predictive | As interest rates climb and credit tightens, prospective auto loan borrowers are increasingly resorting to fraudulent tactics to secure loans. This alarming trend not only poses significant risks to lenders but also casts a shadow over the entire auto industry. According to recent findings from autoremarketing.com, the Cox Automotive Dealertrack Auto Credit Availability Index has signaled...

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EDUCATIONAL OPPORTUNITIES

MADA Member Webinar > > Thursday, April 18th at 10am (30 min)

May is Mental Health Awareness Month, and Blue Cross wants to ensure group customers have the information they need to promote available mental health resources to their members. Join Shalini Khandelwal, Director of Behavioral Health Strategy, for this webinar as she discusses Blue Cross' advanced behavioral health capabilities that prioritize member well-being, streamline care coordination, and drive positive outcomes. This webinar offers a unique opportunity to learn about Blue Cross' commitment to accessible, high-quality behavioral health care services. Sign up here: <u>Blue Cross Behavioral Health webinar</u>

May 20 & 21 | <u>Automotive News Leading Women Leadership Academy &</u> <u>Conference, Dearborn</u>

HIGHLIGHTING OUR ASSOCIATE MEMBERS



Zurich - a specialized dealer-ops insurer with robust F&I offerings, including Property / Casualty / Workers Compensation/ Cyber | Performance & Compliance Training for F&I, Sales, Service Advisor | Traditional & EV F&I Products | Profit Participation Programs. All products built, backed & administered by one source – Zurich. Stop the confusion. Eliminate the middleman.

David B. Parmenter & Associates

Human Resource consulting firm offering dealer specific services, including employee handbooks, supervisory training, employee relations troubleshooting, managerial coaching for improved performance. We have provided services to franchise dealers for 36 years.







Supporting Michigan's franchised dealers for more than 100 years!

Michigan Automobile Dealers Association | <u>news@michiganada.org</u>

Michigan Automobile Dealers Association | 1500 Kendale Blvd., PO Box 2525, East Lansing, MI 48826-2525

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