

NEWS BULLETIN

Maine Automobile Dealers Association

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2023-3

DISTRIBUTION

General Manager
Office Manager
Parts Manager
Sales Manager
Service Manager

FTC SAFEGUARDS RULE

June 9, 2023 is the date the Federal Trade Commission (FTC) has designated as the deadline for compliance with the revised Safeguards Rule. While some dealerships will have achieved full compliance, it is very likely that many will not have reached that pinnacle. What is most important, however, is that dealerships have started, and continue, down the road to more fully protect customers' non-public personal information. NADA and MADA have previously provided all dealerships with information about compliance. Please feel free to contact your MADA office should you need this material again.

LIFO RELIEF

The current year efforts in Congress to get LIFO relief from increased taxes resulting from reduced inventory during the COVID-19 pandemic continue to gain steam. The Senate version (S. 443) now has over 60 Senators in support, including both Maine Senators. In the House, H.R. 700 has the support of Maine Rep. Jared Golden and a growing list of Democrats and Republicans. It is expected that this proposal will be enacted this year.

MADA ANNUAL MEETING – CONVENTION UPDATE

As previously announced, the 2023 annual meeting of your Association will be held June 21 – 23 at the Harborside Hotel in Bar Harbor. This year's event will begin Wednesday afternoon, June 21, and conclude early Friday afternoon, June 23, following MADA's annual meeting. A presentation by Maine Secretary of State Shenna Bellows on the electronic titling transition and revisions to future dealership licensing will be a highlight of Friday morning's agenda. The notice of the Annual Meeting is enclosed. Convention registration material was previously mailed to all members. Additional information on convention programming, including the Wednesday evening entertainment, will be sent to you next week. A more complete agenda will also be mailed.

E - TITLE PROGRESS

Maine's Bureau of Motor Vehicles (BMV) continues to make progress on the transition to an electronic title process. Computer software development, internal BMV procedures, contracting with the Service Providers who handle financial institution transactions, re-design of title application documents to include financial institution identification characters – all these steps to the revised system are underway. The current timeline calls for completion by the end of 2023. Secretary of State Bellows will provide a further update at MADA's annual meeting on June 23 in Bar Harbor.

TAX CREDITS ON EV SALES AND LEASES

Last year Congress enacted the Inflation Reduction Act, a complex document aimed at climate change. The IRA has a lot of “goodies” but also many pitfalls. One such two-edged sword for dealerships and their customers is a customer incentive program for a variety of electrified vehicles. Initially these incentives applied to a number of vehicles, but that list was substantially reduced on April 18, when Internal Revenue Service (IRS) guidelines were announced. The incentive world is now a potential minefield – dealership sales staff should be careful when discussing incentives with customers, as there are lots of variables. A federal government website provides the list of qualifying vehicles at <https://fueleconomy.gov/feg/tax2023.shtml>. Your NADA also provides incentive information at www.nada.org/ev-incentives.

CUSTOMER DATA IN TRADE-INS

A developing challenge for dealerships relates to prior owner’s Non-Public Personal Information (NPI) stored in vehicles previously owned, leased or rented by a customer. Various laws, both federal and state, address the “safeguarding” of NPI. One relevant question is whether a dealership can or should delete prior owner/lessee/renter data after taking the vehicle into inventory. Judicial case law is still developing, but current court decisions indicate that there is no privacy rights violation as long as the prior owner’s information was legally obtained and not used or disclosed to others. In dealership situations, “wiping” prior owner data could be a good practice in the reconditioning process, as would having the prior owner disclose in writing that they deleted their prior data before turning the vehicle over to the dealership. MADA attorneys are reviewing this issue, and we will provide further information in future bulletins, at MADA’s annual meeting, and Fall regional meetings.

MAINE AUTOMOBILE DEALERS ASSOCIATION, INC.

180 CIVIC CENTER DRIVE

P. O. BOX 2667

AUGUSTA, MAINE 04338-2667

NOTICE OF ANNUAL MEETING

OF THE

MAINE AUTOMOBILE DEALERS ASSOCIATION, INC.

Please take notice that the Annual Meeting of the members of the corporation will be held at the Bar Harbor Club of the Harborside Hotel & Marina in Bar Harbor, Maine on Friday, June 23, 2023 at 8:15 a.m. to transact the following business:

1. Election of the Board of Directors and other Officers of the Corporation.
2. To Receive the Annual Reports of the Treasurer and Officers of the Corporation.
3. To Receive the Report of John T. Emerson, N.A.D.A. Director for Maine, on N.A.D.A.'s Activities.
4. To Receive the Annual Report of the M.A.D.A. Insurance Trust.
5. To Receive the Annual Report of the M.A.D.A. Workers Compensation Trust.
6. To Transact Such other and further Business as may legally come before Said Meeting.

Dated this 10th Day of May, 2023.

Attest: _____

Thomas T. Brown Jr.

Clerk