

NEWS BULLETIN

Maine Automobile Dealers Association

180 Civic Center Drive P. O. Box 2667 Augusta, Maine 04338-2667 DIAL 623-3882
e-mail:info@maineautodealers.com FAX 623-2318

2023-10

DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
- Service Manager

VISITS WITH MAINE'S CONGRESSIONAL DELEGATION

The National Automobile Dealers Association (NADA) annually hosts a Washington DC conference for leadership of State and large Metro dealer associations. This year's gathering was held September 11-13. MADA was represented by NADA Director John Emerson of Emerson Chevrolet-Buick in Auburn, MADA Vice-Chair Sam Hight of the Hight dealerships in Skowhegan and Farmington, NADA-PAC Chair Jack Quirk of the Quirk Auto Group of Bangor-Belfast-Augusta-Portland-Rockland, and MADA President Tom Brown. The event includes briefings on issues before Congress and federal agencies which are of major concern to dealerships as well as presentations by Senators and Representatives who sit on Congressional Committees which are working on these issues.

The major topics of conversation this year were Electric Vehicle Mandates, the Federal Trade Commission's "Vehicle Shopping Rule" and LIFO relief. MADA representatives had separate meetings with Senator Susan Collins, Senator Angus King and Representative Jared Golden, which also included their senior legislative staff. Each was generous with their time in the midst of hectic schedules primarily devoted to discussion and voting on the 12 appropriations bills which fund the operations of the federal government, all of which must pass by September 30 or most agencies would have to shut down until passage of at least temporary funding (called a "Continuing Resolution").

The discussion on electric vehicles reviewed the Environmental Protection Agency (EPA) proposed greenhouse gas emission standards which would effectively require that 67.5% of light duty vehicles be electric by 2032, as well as the two petitions before the Maine Board of Environmental Protection (BEP) which would create unreasonable and unachievable sales mandates on all vehicles starting in the 2027 model year. The request of the Congressional delegation with respect to the EPA proposal is to slow down the timetable on greenhouse gas controls so that reasonable and achievable national standards can be developed which result in vehicles that deliver enhanced environmental benefits and are acceptable and affordable to the average consumer. Dealers discussed the investments already being made at dealerships with electrical capacity upgrades, tools, equipment and employee training as well as the hurdles in electricity supply-delivery and reliable charging station infrastructure, not to mention customer hesitancy. While Members of Congress generally stay out of direct, open involvement in State Legislature and state agency activities, Rep. Golden said that he had written BEP in opposition to the two petitions. In addition, Senator King mentioned that he had discussed both the EPA and BEP proposals in depth with a Maine dealer, and Senator Collins was nearly apoplectic in her reaction to this issue.

SPECIAL NOTE: On Thursday, September 14, the House of Representatives voted to preserve choice in vehicle purchasing, a proposal which would essentially stop a State from imposing EV sales mandates such as those proposed last month before the Maine Board of Environmental Protection. Maine Rep. Jared Golden voted in favor of this proposal, in support of the dealer position.

In the conversation about the FTC's "Vehicle Shopping Rule" John, Sam and Jack outlined the significant additional paperwork dealership personnel would have to do, and the prolonged time needed with the customer, in order to meet the requirements of the FTC proposal. Emphasis was also given to the fact that current federal and state law or regulation already establish virtually the same requirements and provide significant penalties for non-compliance. Our Congressional delegation learned about the FTC by-passing required rule-making procedures designed by Congress to ensure that a federal agency would first conduct actual fact-finding, consumer testing and cost-benefit analysis in the process of a rulemaking. The delegation was asked to support pending legislation to direct the FTC to start over and approach the alleged issues of incomplete or misleading customer disclosure of finance terms and offerings of "unnecessary" service contracts, GAP, etc. in the proscribed manner.

LIFO tax liability was created during the COVID-19 Pandemic because of low vehicle production and reduced inventory values caused by world-wide supply chain disruptions. This issue was re-visited with the Congressional delegation, as more than 55% of MADA member dealerships utilized the LIFO option. Federal law allows the US Treasury to extend the time for dealerships to replace inventory, and thus diminish or eliminate LIFO tax liability, if a "major foreign trade interruption" occurs. Treasury has been reluctant to make that determination for dealerships without specific Congressional authority, so proposals were made in both the House and Senate to clarify that Treasury could go forward with the extension. While the proposal passed unanimously in the Senate at the end of 2022, the House did not have time to act. The bills have been re-introduced this year, and discussions with Maine's Congressional delegation were held to encourage their continued support of LIFO relief – both Senators as well as Rep. Golden have indicated support to this proposal.

PERSONNEL WEBINAR -- SEPT. 27

The webinar on federal/state personnel law and rules for dealerships is being held next Wednesday – September 27 beginning at 9:30 a.m. Previous News Bulletin articles have outlined some of the topics to be addressed. An email with the registration link and preliminary agenda was sent to all MADA dealerships yesterday afternoon (Tuesday). This webinar will include presentations on a number of topics which have been the subject of federal and state government attention recently, and also involve issues about which MADA dealerships have sought clarification. A copy of the preliminary agenda is included with this News Bulletin. The Personnel Issues webinars which MADA offers at least annually have proven to generate significant participation, and are helpful to MADA as we continue to work on providing information as well as sample forms, policies and reference material for the membership.

E-TITLING UPDATE

The Bureau of Motor Vehicles (BMV) held the required public hearing on the first BMV Rule related to the E-Titling project, which Rule outlined the requirements for lienholders and their service providers in regard to the transfer of data between BMV and lienholders as well as the establishment of an ID number for each lienholder. You will recall from the BMV Bulletin and sample revised Title Application which was included with our last News Bulletin that each lienholder will be assigned an ID number which must be entered on the revised Title Application. There were no objections to the proposed Rule expressed during the public hearing, but interested parties have until September 29 to submit written comments, so it is not a finished product.

In the overall, the Phase 1 E-titling project is on track to start in January. Dealerships who request a re-order of Title Applications will receive the revised forms with all future orders, and can start using them as soon as existing stock of the old form is exhausted. You do not have to wait until you have lienholder ID numbers to start using the new Title Applications, as the ID numbers will not be required until near the end of 2023. BMV expects to have a list available on their website in late November or early December, and individual lienholders will be providing their ID numbers when it is assigned.

The BMV Dealer Bulletin listed dates and times in October, November and December for dealer educational webinars on the e-titling process – please register for the session(s) convenient for you and your personnel.

**Maine Auto Dealers Association (MADA)
2023 Employment Law Update Webinar**

**Thursday, September 27, 2023
9:30-11:00AM
Via Zoom Videoconference Platform**

AGENDA

- I. Association Update and Antitrust Statement Review (Tom Brown)
- II. Administering the Requirements under Maine's Earned Paid Leave Law (Matt LaMourie)
 - A. Recap of Prevailing Law
 - B. Summary of Common Inquiries
- III. Maine Legislative Developments Affecting Dealers (Matt LaMourie)
 - A. LD 1964 ["An Act to Create the Maine Paid Family and Medical Leave Benefits Program]
 - B. LD 1423 [Increased Limits on Awards for Compensatory and Punitive Damages Under the Maine Human Rights Act]
 - C. LD 1703 [Expansion of the Equal Pay Act to Include Race]
 - D. LD 53 [Removal of I&E Protections for Individuals Liable for Sex Harassment/Assault Under the MWCA]
- IV. Federal Legislative Developments (Matt LaMourie)
 - A. Pregnant Workers Fairness Act Takes Effect
 - B. OSHA Issues Revised Rule Expanding Injury and Illness Data Submission Requirements
 - C. New Salary Threshold Regulations Proposed for Exempt Employees by USDOL
- V. Preview of Coming Events: Carry-Overs into the Next Legislative Session and MADA On-Boarding Guidance
 - A. Expanded Time- and Recordkeeping Proposals
 - B. Proposed Advance Scheduling Requirements
 - C. Development of a New Hire Onboarding Template for Dealers
- VI. Q&A

NOTE: MADA conducts all its business, meetings, workshops and other affairs in strict compliance with applicable antitrust and trade regulation laws. Officers, staff, directors and members are directed to adhere to this policy when engaging in any MADA activity and to immediately report to MADA's legal counsel, for appropriate advice and action, any proposals or activities that may violate this antitrust compliance requirement. Any violation of this statement is unequivocally contrary to MADA policy.