

NEWS BULLETIN

Maine Automobile Dealers Association

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2024-5

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MADA MEETS WITH CONGRESSIONAL DELEGATION

Annually in mid-September the National Automobile Dealers Association (NADA) hosts a Washington D.C. gathering of dealer associations from all 50 states and major metropolitan areas, nearly 400 dealers and dealer association personnel. Your Maine delegation included MADA Chairman Sam Hight (Hight family dealerships of Skowhegan and Farmington), NADA Director for Maine John Emerson (Emerson Chevrolet-Buick of Auburn), NADA-PAC Chair for Maine Jack Quirk (Quirk Auto Group of Bangor, Augusta, Belfast, Portland and Rockland), and MADA President Tom Brown.

The purpose of this Washington Conference is two-fold: 1) to receive updated information on the myriad of issues in Congress and federal agency rule-making which would affect dealership operations; and 2) to meet with Maine's Congressional delegation to discuss some of these issues. MADA's delegation met with Senator Angus King and Representative Jared Golden, and with the Senior Advisor to Senator Susan Collins (the Senator was involved in an Appropriations Committee meeting on federal budget legislation). All three Members have been supportive of dealership issues.

Attached to this News Bulletin is a brief summary of the major topics MADA discussed in our Capitol Hill visits. Also attached is the handout prepared by NADA which indicates the economic impact of franchised dealerships on Maine and the United States.

MAINE'S MINIMUM WAGE GOES TO \$14.65 PER HOUR IN 2025

The Maine Department of Labor has announced the minimum wage for 2025. Pursuant to Maine law (Maine statute Title 26, chapter 7, section 664), effective January 1, 2025, the state minimum wage will increase from \$14.15 to \$14.65 per hour, based on data recently made available by the U.S. Department of Labor's Bureau of Labor Statistics. Maine law, amended by citizens referendum in 2016, requires annual adjustments to the minimum wage based on the cost-of-living index (CPI-W) for the Northeast Region. Between August 2023 and August 2024, there was a 3.6 percent increase in the CPI-W.

Overtime for hourly paid and certain other personnel will be affected by this change. In a forthcoming MADA webinar, we will provide information on overtime rules. MADA will also be providing the necessary changes to the laminated labor law posters your Association distributes to dealerships.

CDK UPDATE RE: DATA BREACH

As part of the ongoing set of discussions related to the July data breach, CDK has agreed to handle any applicable breach notification requirements at the state level on behalf of affected dealers. CDK wrote in a letter to state dealer associations and NADA that if, based on their investigation, they determine that any notifications under state breach notification laws (such as notices to state agencies or to consumers) are required, CDK will provide the notifications on behalf of affected dealers. The letter states that CDK has not determined that any personally identifiable information was impacted.

GET WRITTEN PERMISSION BEFORE PULLING CREDIT REPORTS

The **Fair Credit Reporting Act** permits financial institutions (a category that includes dealerships) to pull a credit report if they have a “permissible purpose”.

There is a list of permissible purposes in the law, but one stands out:

“In accordance with the written instructions of the consumer to whom it relates”.

A dealership’s best practices might include obtaining **written permission from a customer before pulling a credit report, whenever possible**. Maintain documentation of that consent so both the dealership and the customer have something to refer back to if questions come up later.

- **In person:** Have the customer sign a document granting permission to pull the credit report.
- **Digitally:** A digital credit application should include a screen stating that the customer gives permission for their credit report to be reviewed in connection with the loan application and requiring the applicant to check a box indicating whether they give consent.
- **Over the phone:** Verbally ask the customer for permission to pull their credit report and note the answer on the paper application.

CREDIT CARD AND DEBIT CARD SURCHARGE PROHIBITION

In recent months, your MADA office has received multiple dealership inquiries on the subject of customer credit card payments. The question generally is: can we surcharge the customer who pays with a credit or debit card? The answer is **NO**, and we copy below the applicable section of Maine law – Title 9-A, Section 8-509:

“Surcharge prohibited. A seller in a sales transaction may not impose a surcharge on a cardholder who elects to use a credit card or debit card in lieu of payment in cash, check or similar means. For purposes of this section, “surcharge” means any means of increasing the regular price to a cardholder that is not imposed on a customer paying by cash, check or similar means. A discount or reduction from the regular price is not a surcharge.”

Some dealership callers retort “but I had to pay a surcharge at my town office”. **Yes** they did, because this same Maine law exempts governmental entities.

DEALERSHIP VICTORS AT MEMBERSHIP GOLF TOURNEY

In early September, 24 Maine dealership teams teed up golf balls at the Augusta Country Club (Augusta Maine – unfortunately not Augusta National). The 112 participants enjoyed a bright sunny day on the well-manicured links which is home to the Maine Open. The teams achieving success that day, and overcoming the good-natured heckling among friends, were:

Low Gross – Charlie’s Motor Mall
 2nd Low Gross – Shepard Chrysler Dodge Jeep Ram
 3rd Low Gross – Bill Dodge Auto Group

Low Net – Ray Haskell Ford
 2nd Low Net – Hight Ford
 3rd Low Net – Bath Subaru

Prizes were awarded for correctly recording all Sponsors and the specific holes of their sponsorship. 17 teams of the 24 dealership groups submitted complete and correct Sponsor Trivia sheets. MADA will recognize our sponsors in a future News Bulletin.



LEGISLATIVE PRIORITIES – August 27, 2024

NEW FTC RULE HARMS CAR BUYERS: COSPONSOR THE “FTC REDO ACT” (H.R. 7101/S. 3014)

The FTC’s Vehicle Shopping Rule (VSR) would overwhelm car buyers and small business dealers with needless additional costs, paperwork and a lengthened sales process. The FTC finalized this rule despite significant process flaws and a lack of credible data-driven analysis. NADA supports FY25 appropriations language that would temporarily stop the FTC from spending funds to enforce the VSR (H.R. 8773) and legislation to stop the VSR and require the FTC to follow essential steps to ensure the Rule is the result of an informed process if it chooses to “REDO” the Rule (H.R. 7101/S. 3014). A new study by the Center for Automotive Research (CAR) found that the Rule would cost more than \$24 billion (over ten years), add an additional 60 to 80 minutes to the car buying process and cost consumers at least \$1.3 billion per year in lost time. **Members of Congress should cosponsor the “FTC REDO Act” to stop the flawed VSR and ensure if the FTC opts to redo its Rule, the agency must follow essential regulatory safeguards to avoid needlessly imposing significant burdens and costs on consumers and small business dealers.**

SUPPORT LEGISLATION TO STOP EPA’S DE FACTO EV MANDATE WHICH GOES TOO FAR, TOO FAST (H.J.RES. 136/S.J.RES. 75)

NADA supports legislation that would slow down or stop the EPA’s de facto electric vehicle (EV) mandate which goes too far, too fast and ignores real world consumer demand for EVs. NADA supports FY25 appropriations language that would temporarily stop the EPA from spending funds to enforce the EPA’s overly aggressive EV Rule (H.R. 8998) and legislation to disapprove the EPA’s de facto EV mandate (H.J. Res. 136/S.J. Res. 75). The Administration’s regulation could effectively require 56% of car sales to be electric by 2032. However, the charging infrastructure is not ready, the current incentives are not sufficient, and high EV prices will price out millions of consumers, particularly low-income Americans, from the new-car market. **Congress should stop EPA’s de facto EV mandate, which will result in a new vehicle market that is unaffordable and does not meet the transportation needs of average Americans.**

OPPOSE SO-CALLED “RIGHT TO REPAIR” LEGISLATION (H.R. 906)

NADA opposes so-called “right to repair” legislation (H.R. 906) which has little to do with repairing a vehicle and raises serious vehicle privacy, security and safety issues for consumers. Advocates for “right to repair” legislation claim that independent automotive repair shops do not have access to the parts or data necessary to repair vehicles. However, this concern was rectified by a 2014 Memorandum of Understanding, signed by “right to repair” proponents and auto manufacturers. Today, the information independent shops need to repair vehicles is readily available from every auto manufacturer. This legislation would also give any third-party remote, bidirectional access to consumer data from vehicles, which raises significant privacy, cybersecurity, and automotive safety concerns. H.R. 906 is built on a faulty premise that independent repair shops are at risk, even though these businesses perform more than 70% of all non-warranty repairs. **Members of Congress are urged not to cosponsor or vote for H.R. 906.**

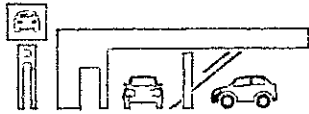
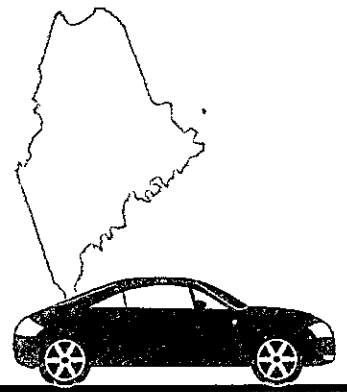
FIGHT CATALYTIC CONVERTER THEFT: COSPONSOR THE PART ACT (H.R. 621/S. 154)

NADA supports catalytic converter anti-theft legislation, the “Preventing Auto Recycling Theft Act” (PART Act) (H.R. 621/S. 154), which would help law enforcement combat this crime by providing a national framework that would mark catalytic converters, establish federal criminal penalties, and create a more transparent market that deters its theft. Catalytic converters are being stolen at increasingly higher rates due to their valuable metals, such as rhodium, platinum and palladium. The number of catalytic converter thefts increased by nearly 900% between 2019 and 2023. Stolen catalytic converters can garner \$20 to \$350 on the black market, with the replacement cost to vehicle owners averaging over \$2,500. These thefts are costing businesses and vehicle owners millions of dollars. The urgency of addressing this issue has risen as these thefts have increasingly turned violent, with some victims sustaining injuries and even losing their lives when confronting thieves. NADA and 120 other organizations sent a letter to congressional leaders urging passage of the PART Act in August. **Members of Congress are urged to cosponsor the PART Act to address the growing national problem of catalytic converter theft.**

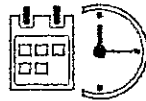
Driving Maine's Economy

Annual Contribution of Maine's New-Car Dealers

Numbers reflect annual economic activity during 2023.



111
DEALERSHIPS
(new car)



11,971
TOTAL JOBS
(created by dealerships)
Includes 5,510 direct jobs and
6,461 indirect and induced jobs.



50
EMPLOYEES
(average per
dealership)



\$5.7B
TOTAL SALES

(all dealerships)



\$430M
PAYROLL

\$78,091

Average Annual
Earnings

\$134M

State and Federal
Income Taxes Paid

Includes income taxes paid for direct,
indirect and induced jobs.



0.4%
REGISTRATIONS

Maine's Share of Total U.S.
New-Vehicle Registrations

\$315M
**STATE SALES
TAX PAID**

Source: Bureau of Labor Statistics,
Center for Automotive Research,
NADA, S&P Global, Taxfoundation.org,
U.S. Census Bureau

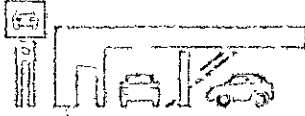


NATIONAL AUTOMOBILE DEALERS ASSOCIATION
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Driving the United States' Economy

Annual Contribution of the United States' New-Car Dealers

Numbers reflect annual economic activity during 2023.



16,835
DEALERSHIPS
(new car)



2,330,981
TOTAL JOBS
(created by dealerships)
Includes 1,100,650 direct jobs and
1,230,331 indirect and induced jobs.



63
EMPLOYEES
(average per
dealership)

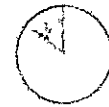


\$1.2T
TOTAL SALES
(all dealerships)



\$92.5B
PAYROLL

\$84,565 Average Annual Earnings	\$26.2B State and Federal Income Taxes Paid
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\$109.3B
**STATE SALES
TAX PAID**

Source: Bureau of Labor Statistics,
Center for Automotive Research,
NADA, S&P Global, Taxfoundation.org,
U.S. Census Bureau

Includes income taxes paid for direct,
indirect and induced jobs.



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