

# THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 48-16

December 14, 2016

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## ADEI luncheon January 11 at MC to preview Auto Tech Development Program

Service directors, mentors and students are invited to a luncheon sponsored by the Automobile Dealer Education Institute (ADEI) to preview the spring semester of WANADA's award-winning Auto Technician Development Program. The luncheon is set for Wednesday, January 11, at 11:30 a.m. at the Rockville campus of Montgomery College. It will be in the shop area of the Homer S. Gudelsky Building, North Campus Drive and Hungerford Drive (MD 355), in Rockville.

The event provides an excellent opportunity for service directors to meet aspiring techs interested in working in an area dealership. Under ADEI's Auto Technician Training Program, student techs work a 40-hour week in a WANADA member dealership while also attending NATEF-Certified classes to get instruction in automotive repair fundamentals. Students are ambitious and most graduates from the Program have been hired by the dealership where they interned.

Don't miss this chance to hear first hand about the ADEI program for the coming semester! RSVP to Billy Painter by Friday, January 6, at [bp@wanada.org](mailto:bp@wanada.org).



Attendees at an earlier ADEI luncheon.

## Maryland MVA warning on fraudulent inspection reports

The Maryland Motor Vehicle Administration has learned of fraudulent Maryland Vehicle Inspection Reports being submitted for title transactions.



Effective immediately, if you receive a Maryland State Vehicle Inspection Report, you must verify the inspection via Maryland State Policy e-Inspection search website at

<http://egov.maryland.gov/msp/vsi/Lookup#/>.

To view results of an inspection, input the full VIN# or the last 7 digits of the VIN# in the Vehicle VIN search field. Information on VIN, Inspection Date, Odometer and a Result of "Pass" will be returned for a passed inspection. The valid inspections that have a Pass result must be submitted with your title transaction.

If you receive the message "Your search did not find any results, please modify your search and try again," *do not accept the Vehicle Inspection Report*. Reject the transaction and have the customer return to the inspection station.

The MVA put out an official Bulletin on December 12, 2016 to view it please click [here](#).

To report fraudulent activity, scan a copy of the report and send an email to the Automotive Safety Enforcement Division at [msp.ased@maryland.gov](mailto:msp.ased@maryland.gov).

If you have questions or require additional information, email [mvablsd@mva.maryland.gov](mailto:mvablsd@mva.maryland.gov).

## New I-9 form required starting January 22

The U. S. Citizenship and Immigration Services has revised its Employment Eligibility Verification Form I-9. Effective January 22, 2017, employers must use only the [new Form I-9](#), which is dated November 14, 2016.

Enacted into law in 1986, the Immigration Reform and Control Act (IRCA) prohibits employers from hiring people for employment in the United States without first verifying their identity and employment authorization using Form I-9. For further information on this mandate, see NADA's [Driven guide on Employment Eligibility Verification](#) (L21). Direct any questions to NADA Regulatory Affairs, [regulatoryaffairs@nada.org](mailto:regulatoryaffairs@nada.org), or 703-821-7040.

## New filing deadlines for tax forms W-2 and 1099

Starting with 2016 forms filed in 2017, employers must submit tax forms W-2 and 1099 by January 31 of the following year. The new deadline applies whether the forms are filed on paper or electronically.

W-2 forms must be submitted to the Social Security Administration (SSA) by January 31. The SSA has said it will no longer offer an automatic 30-day extension of the deadline. Anyone seeking an extension must submit form 8809 by January 31 with a detailed explanation of why the taxpayer needs an extension.

Form 1099-MISC showing an amount in Box 7 for non-employee compensation must be submitted to the Internal Revenue Service by January 31. The deadline for submitting other types of 1099-MISC form has not changed.

As always, members should speak with their tax consultant about their individual situations.

## The Trump administration: What dealers can expect, Part 2



Trump has shown an eagerness to cut back on regulations. Photo by Gage Skidmore.

In a recent article in the *New York Times*, reporter Bill Vlasic wrote, “Perhaps no industry could be affected in more ways by the new administration than the auto business.” With President-elect Trump’s very flexible approach to policy positions, there are many unknowns. Here’s what we know so far:

*Consumer Financial Protection Bureau:* A court ruled even before the election that the structure of the agency must change. The director now reports to the president and can be replaced at any time. Trump signaled during the campaign and with his initial Cabinet choices that he plans to cut back substantially on regulations that

could impede business. NADA, automakers and lenders have long complained about the CFPB’s regulatory overreach of business. Under President Trump, the CFPB could well soften its regulatory approach.

*Environmental regulations and emissions standards:* Trump’s choice of Oklahoma Attorney General Scott Pruitt to head the Environmental Protection Agency shows we can expect a complete change in the direction of the nation’s top environmental body. Pruitt, a self-professed climate change skeptic, is party to a lawsuit against the Clean Power Plan that would regulate carbon emissions from coal-powered plants. His legislative history shows he is much more interested in working with fossil fuel companies and business than in issuing heavy environmental regulations.

One of the primary environmental issues for dealers is the tougher fuel economy standards that the EPA recently moved to issue unchanged in final form after a draft midterm review in July. NADA and the major automaker groups protested strongly, pointing out that the market has changed since the standards were written in 2012. Consumers have snapped up light trucks and utilities as gas prices have fallen to record lows.

The Alliance of Automobile Manufacturers has said it plans to work with the Trump administration to roll back the tougher emissions standards. But regulations already in place cannot simply be repealed with the president’s signature. Changing regulations is a long and involved process – purposely so, under our system of divided government – and Trump will have to choose his battles.

*Labor regulations and overtime rule:* Trump’s choice for Labor Secretary, Andrew Puzder, comes from the business side as chief executive of fast food chains including Hardee’s. He has spoken out against the rule that would have expanded the number of employees eligible for overtime. Because that rule was indefinitely halted by a federal judge in Texas (as reported in the *WANADA Bulletin* [click here](#)), it could be easier to overturn than the fuel economy standards. Puzder has also criticized mandated sick leave of the type being discussed in Maryland and DC (see article below).

*Department of Transportation:* Transportation Secretary nominee Elaine Chao is the only Cabinet choice so far who has previously held a Cabinet position, as Labor Secretary. Although she does not have extensive transportation experience, Chao is familiar with the ways of Washington – even more so since she is married to Senate Majority Leader Mitch McConnell –

and has the respect of many on Capitol Hill. That will be to her advantage. NADA and the Auto Alliance have praised Chao's selection. Her record as Labor Secretary shows she's not a fan of regulations and will likely work to push more regulatory authority to the states, according to a report by Associated Press.

Among the industry issues in front of the DOT now, first is an infrastructure bill that looks like the best hope for gathering bipartisan consensus. Another ongoing issue is autonomous vehicles. DOT issued autonomous vehicle guidelines this summer, but the questions are far from settled.

## DC Council approves paid family leave; MD plans paid sick leave

The DC Council passed a bill approving three types of paid leave that all employers would be required to offer: eight weeks of family leave, six weeks to care for a sick family member and two weeks of employee sick leave. The leave would be funded by a 0.62 percent tax on all employers.

Although there are no franchised dealers in the District, the measure could still affect dealers outside the city as they compete for workers. Employees can benefit from the bill even if they live in Maryland or Virginia.

The bill passed a first reading by a veto-proof majority of 11-2. It is scheduled for a second reading on December 20. Earlier versions of the bill would have mandated 11 or 16 weeks of paid leave. Even the more modest version that passed is one of the more generous paid leave bills in the country.

The Greater Washington Board of Trade had pushed for an employee-funded leave system, such as some other states have. The bill that passed is controversial because of the estimated cost (\$40 million to \$80 million, according to the DC Chief Financial Officer) and because an estimated 65 percent of the benefits would go to workers who live outside the District.

In Maryland, Gov. Larry Hogan said he plans to introduce legislation in the next session of the General Assembly to provide paid sick leave "without placing an unmanageable burden on job creators."

"We must strike a balance between the needs of Maryland's employees while not hurting our small businesses and continuing to foster a more business-friendly climate in our state," Hogan said.

Under Hogan's bill, businesses with 50 or more employees will be required to offer paid sick leave totaling at least 40 hours a year, with part-time employees covered after a minimum of 30 working hours.

## Sleep-deprived drivers are high safety risk

Drivers who miss just one to two hours of the recommended seven hours of sleep in a 24-hour period nearly double their risk for a crash, according to new research from the American Automobile Association Foundation for Traffic Safety. The Centers for Disease Control and Prevention says that 35 percent of U.S. drivers sleep less than the recommended seven hours daily. Drowsy drivers are involved in more than one in five fatal crashes on U.S. roadways every year.



The DC bill would allow 8 weeks of paid family leave for new parents.

“Our new research shows that a driver who has slept for less than five hours has a crash risk comparable to someone driving drunk,” said Dr. David Yang, executive director of the Foundation.

Even though 97 percent of drivers told the AAA Foundation they view drowsy driving as a completely unacceptable behavior that is a serious threat to their safety, nearly one in three admit that at least once in the past month they drove when they were so tired they had a hard time keeping their eyes open.



Maurice J. Murphy  
WANADA CEO,  
1955-82

## Happy Birthday, Mike!

Former WANADA CEO, Mike Murphy, would have been 100 and something today, December 14, his birthday. Mike was honored *posthumously* on Nov. 4, 2016 by the Maryland Auto Dealers Association Foundation at its Annual Unforgettable Gala for 32 years of leadership with the regional auto industry here. He was preceded by his father, Dick Murphy, and succeeded by his son, Gerry, at the helm of WANADA. He was 94 when he passed in 2004.

### Thought for the day...

'Tis well!

--Last words of George Washington who died this day, Dec. 14, 1799



WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION