

THE WANADA BULLETIN

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

WANADA Bulletin #15-03

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MD LEGISLATIVE WRAP-UP:

Stalemate Session Yields Positive Results for Dealers

\$100 DOC Fee, Students Learning & Salvage Bills Passed

Despite a legislative session marked by bitter partisan feuds and few big picture results, strong grassroots efforts by Maryland dealers and an aggressive lobbying campaign by MNCTDA teaming up with WANADA yielded the passage of several key bills in the recently concluded Maryland General Assembly.

The Dealer Processing Charge Bill (HB 454/SB 438) passed in the closing hours of the General Assembly with *everything* dealers asked for. House and Senate conferees came together to approve a dealer processing charge increase from \$25 to \$100. This occurred despite a \$75 level initially approved by the Senate. Conferees also accepted a dealer amendment making the change in the law

effective July 1, 2003, instead of October 1, 2003, so dealers can begin collecting the higher fees sooner. The legislation also allows dealers to separate the processing fee from the total price of the car when advertising the total vehicle price, which is a major improvement over the onerous current requirement that any processing fee charges be

included in the advertised price. However, the processing charge must be disclosed via an ad disclaimer along with the price of any freight charge "near or in close proximity to the price of the vehicle."

The final bill makes the DOC fee taxable, which raised the eleventh hour ire of some

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IT'S A CELEBRATION!

Dealers and Automaker Partners: Join us April 29 for A Reception at the New Convention Center



The newly opened Washington Convention Center is described as "huge, magnificent and grand." But what's really enormous is the potential for The Washington Auto Show to join the world's foremost international vehicle showcases.

To show why WANADA is so enthusiastic about this potential, Auto Show Chairman George

Doetsch and his committee have planned a reception for dealer members and our automaker partners to see the impressive new center and preview the exciting new Washington Auto Show!

Among other things, the show now has the capacity to double in size, giving all exhibitors the chance to roll out world class displays in sub-

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MD Legislation

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anti-tax members. But careful lobbyist finessing in the last minutes of the session by Mike Johansen of Rifkin, Livingston, Levitan & Silver, government relations counsel for MNCTDA and WANADA, kept the bill on track. The bill now goes to Gov. Robert Ehrlich, who has threatened to veto many of the tax increases passed by the legislature. But Maryland dealers are optimistic that their excellent relationship with the governor will result in his signature.

“Today’s a good day for dealers,” said MNCTDA CEO Peter Kitzmiller the day after the session ended. “Based on the fact that nothing much at all got passed in this session, and that our bill had significant opposition, including the attorney general, getting the processing fee increase passed is a significant win for dealers.”

Kitzmiller praised, Sen. John Giannetti, Jr. (Montgomery/15) and delegate Kumar Barve (Montgomery/17) for their sponsorship and hard work on the bill, and he had special praise for the dealer response. “Dealers really did a great job of contacting their legislators. The e-mails worked wonderfully. Every legislator I talked to said, ‘Hey, call the dogs off,’ which I love to hear.”

“Now we have to make sure the governor signs it,” he added. “We are asking dealers one more time to let the governor how important this bill is

to us.” A sample letter and e-mail will be available on mnctda.com.

Other Legislation:

• **Workers Compensation-Students in Unpaid Learning Experience (HB 1128)** which allows Workman’s Compensation to cover students visiting work sites (like those in WANADA-sponsored technician training programs) was passed thanks to strong support by dealers – in particular Dottie Fitzgerald of Fitzgerald Auto Mall, who testified and lobbied strenuously in favor of the bill.

• **Certificate of Title for Rebuilt Salvage Vehicles (SB 90)** was passed in spite of stiff opposition from some groups. The bill requires that a certificate of title to a vehicle contain a conspicuous notation that the vehicle is “rebuilt salvage” whenever an insurance company’s application for a salvage certificate for the vehicle contains a statement that the cost to repair the vehicle for highway operation was equal to or less than its fair market value prior to its sustaining damage.

• **Tax and Revenue Bill (HB 753)** increases the cost to corporations of filing annual reports but the fees were capped at \$300, *which is a far cry from outrageous fees proposed by the House that would have ranged to as much as \$20,000!* It should be noted, however, that legislation passed calling for a 10 percent surcharge on corporate income tax, which takes the rate from

7 percent to 7.7 percent for three years. Gov. Ehrlich may well veto this and other tax increases.

• **SB 626/HB 635, Motor Vehicle Franchise Agreements**, which would ensure proper compensation for all warranty work completed by a dealership, was heard by committees in the House and Senate but was never brought up for a floor vote. Dealer group organizers have pledged to work up a new bill for the 2004 legislative session.

In other good news, dealer tags are exempt from red light and speed cameras. Also: preliminary analysis suggests dealer tags will not be charged the \$27 surcharge on registration included in the “Go Montgomery” bill (HB 563), which the governor has also said he would veto, despite being a top priority of the Montgomery County Chamber and other local business groups.

Attention Sponsors & Kindred Members:

Advertise in the WANADA Directory

The opportunity still exists for sponsors and kindred members to advertise in the 2003 WANADA Membership Directory — due to be published in May.

This valuable resource publication is used by dealers and managers throughout the year and is an ideal vehicle to get your message to all Washington area dealers!

Take advantage of this opportunity today and call Archie Avedisian at (202) 237-7200.

DEALERS IN THE SPOTLIGHT:**Brown Automotive Donates Vehicles to Pvt. Lynch**

In a gesture that raises the image of all Washington area dealers, the Brown Automotive Group in Fairfax, Virginia issued the following statement last week:

“The corporation, in a small way to show its gratitude to our wonderful troops in Iraq, will be giving to Jessica Lynch, a 19-year-old soldier who was rescued by our soldiers, a brand new Nissan Xterra and to her father and mother a 4-wheel-drive Dodge Ram pickup truck – in his favorite color, red.”

Although the Brown organization was hoping to keep a “low profile,” news of the donation was carried in The Washington Post. A spokesperson for Brown expressed deep regret for those in Jessica’s company who died in Iraq, and explained to The WANADA Bulletin that the vehicles would be presented to the Lynches at their home in Palestine, West Virginia when Jessica has recovered sufficiently from her multiple injuries to return home.

WANADA salutes the Brown Group for this noble act, and The Bulletin will be sure to cover the vehicle donation in West Virginia. It’s just another example of the good dealers do.

Dealers, Managers, Still Time to Sign Up for WANADA’s
Safeguarding Customer Information
Workshop, April 22

By this time dealers have heard and read about the FTC’s new “Safeguards Rule,” which becomes effective May 23, 2003 and requires dealers to develop, implement and maintain a comprehensive “Information Security Program.” NADA is mailing members “A Dealer Guide to Safeguarding Customer Information,” but this hands-on, “nuts and bolts” WANADA workshop will focus on *exactly how to meet all requirements of this new rule*. It will feature top NADA legal and information technology expertise from NADA attorney Paul Metrey and IT Director Richard Malaise. WANADA Counsel Allen Jones will participate as will kindred-line lawyer member Mike Charapp.

The workshop will be held Tuesday, April 22, from 9:30 a.m. to 11:45 a.m. at the Tysons Corner Marriott. Registration will begin at 9 a.m., along with a continental breakfast. Cost to members is \$40 (\$20 per additional representative from the same store) and \$75 for non-members.

For more information and reservations, please see the RSVP enclosed with this WANADA Bulletin or contact Tom Mann or Nick Champeau at WANADA (202) 237-7200.

Thought for the Week...

Nothing is more exhilarating in war than to be shot at ... and missed.

—Winston Churchill

Enclosures:

- Washington Auto Show/Convention Center Reception FAX-back RSVP form
- WANADA Safeguarding Customer Information Workshop registration and detail sheet