

STATE LEGISLATIVE UPDATE

VA Debate on Taxes for Transportation Rolls On *No CAL Car in MD this year; Franchise Law Clarification Bill*

Virginia

Despite being set back by the House of Delegates, Gov. Tim Kaine is still pushing ahead for taxes to fund transportation in Virginia. One proposal took the 3% title tax to 5%. The Senate has responded with a substitute bill, increasing the rate 1/4% a year for three years until it reaches 3-3/4%.

“This fight is a long way from being over,” says VADA, which urges Virginia dealers to oppose a title tax increase. “All three sides have taken positions and are determined not to yield. It looks like this will come down to a conference committee on the budget bills where representatives of the House and Senate try to hammer out an agreement.”

VADA says that there is a possibility that other bills sought for dealers which are making their way through the legislature may be stonewalled due to the tax position being taken.

The status of other priority bills backed by VADA and WANADA include:

HB1103, VA Consumer Protection Act—Choice of Damages, which passed the House (100-0) and is pending before the Senate Commerce and Labor Committee, is designed to reduce litigation. The bill provides that if a customer accepts a “cure” offer under the Virginia Consumer Protection Act, then the customer may

not initiate any other cause of action based on the same facts.

HB1034 and SB152 – Disclosure of Damage to New Vehicles unanimously passed both the Senate and House and is up for a final vote. The legislation clarifies that the 3% rule on disclosure of new car damage that has been re-

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Rotary Clubs Supply “Tools for the Future”



At the tool presentation (from the left) WANADA’s Archie Avedisian; Gaithersburg Rotary President Colleen Aycock; Andy Zimmer of Rosenthal Mazda; Todd Canali, apprentice; WANADA’s Wil Desjardins, and Montgomery Village Rotary President Teresa Deneau.

The Montgomery Village and Gaithersburg Rotary Clubs were the latest to add their support to a growing list of Washington Area Rotary Clubs that have endorsed and supported WANADA’s Apprenticeship Training Program. At a recent Rotary meeting in Montgomery Village, the two clubs both donated \$500 each to purchase tools for Todd Canali, an apprentice at Rosenthal Mazda.

“This is the best project I have ever seen, and

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Debate on Taxes

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paired applies to all damage, including dealer lot damage. The bill was sent to the House floor where it unanimously passed the House. The Senate bill has been referred to the Senate Committee on Transportation for consideration.

HB250 and SB194 – Temporary Registration and License Plates unanimously passed both the Senate and House and is due for a final vote. These bills clarify that, until a transaction is completed, a customer has only a right to possess and to insure a vehicle.

SB153 – Used Vehicle Damage passed the Senate (31-8) and is up for consideration by the House Transportation Committee. It provides for notification of the customer's right to do a pre-purchase inspection. Unless the dealer refuses an inspection, the only claim the buyer will have against a dealer for the condition of the vehicle will be a claim for breach of a written warranty.

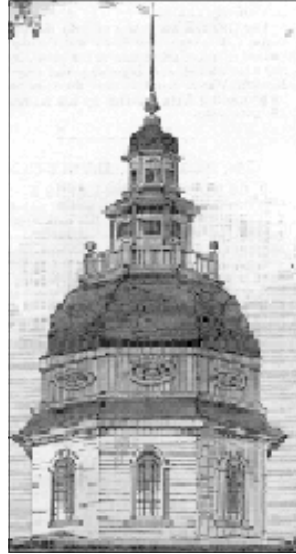
Maryland

In Annapolis, lawmakers will not take up draconian "California Car" emission standards this year which is good news!

However, the dealers' perennial adversary, Sen. Alex Mooney (R-Frederick) has come up with a bill to end spot deliveries which has gotten traction with some consumer groups. Like Sen. Mooney's anti-dealer bills of yore this will be addressed in due course so another bad idea doesn't become law.

The top priority right now in the current Maryland legislative session are two dealer group initiatives:

SB 634 – Vehicle Dealers, Franchise Laws grants dealerships in Maryland equal rights to certain incentives and reimbursements while taking into account the demographic and geographic characteristics that may impact the dealer's market area. This legislation also mandates a dealer to appoint a person who is responsible for dealing with the manufacturer. The manufacturer may not refuse to recognize that appointed person unless it establishes that the individual is unfit. Additionally, the burden of proof falls on the manufacturer



to terminate a dealer. And finally, all business entities, not just corporations, can be franchised.

SB 879 – Motor Vehicle Excise Tax - Trade Difference Allowance calls for a three year phase-in of the excise tax trade-in difference in an attempt to jump start vehicle sales and end an unfair tax practice in Maryland. Success will hinge upon the fiscal note accompanying the

bill.

By design, this legislation is limited to new vehicle sales transactions only, in an attempt to temper the fiscal impact and encourage consumers to purchase more fuel efficient vehicles.

Maryland dealers will also be opposing **SB 452 - Consumer Access to Ignition Key Information**, which would require a vehicle manufacturer to implement a system to provide a registered owner or lessee of a specified motor vehicle access to information sufficient to allow the reproduction of a key required to operate the motor vehicle. A manufacturer would be required to allow access to this information 24 hours per day and 7 days per week.

Daily updates on Maryland legislation and links to and information on all federal, state and local lawmakers are available on MADA's website, mdauto.org.

WASHINGTON AUTO SHOW UPDATE



The Moment of Deliverance

Need something to warm up your dreary February? How about the beaming faces of Washington Auto Show Hands On contest winners as they picked up their new Toyotas, or a nice \$1500 check for being runner-up in the DC Lottery's Second Chance Drawing? From left, Fredy Guzman of Germantown, MD, winner of the Camry; Tamara Darvish of DARCARS; and Kathleen and Gregory McArthur of Bristow, VA with kids, winners of the Scion tC. Above (center) are Ron Sadled and his wife Arleen of Centerville VA, the lucky winners of a hybrid Prius for correctly predicting all three winners of the Hands On contest. Above right, from left, WANADA CEO Gerard Murphy presents a \$1500 check to be used for gasoline to Kenneth Wedge of Brandywine, MD as the DC Lottery's Ann Frink-Brown looks on. The check will come in handy for Wedge, a retired Postal worker, who drives a new Ford 150 pickup. But Taneka Washington (right), a recent graduate of the University of Maryland, Eastern Shore, was the big winner of the Second Chance Drawing. Here she is with her grandmother taking the keys to a new Chrysler 300. What a graduation present!



Compliance Alert: CMS Disclosure Due by March 31st

Employers who offer prescription benefits to participants eligible for Medicare are required to send creditable and/or non-creditable coverage disclosures. (If your company provides prescription drug coverage to an employee, a retiree or a dependent of an employee or retiree over the age of 65, you are required to provide these disclosure notices.) There are two different disclosures required for Medicare Part D. The first disclosure should have been sent to employees in November 2005 and will need to be resent to participants eligible for Medicare each year prior to November 15.

Additionally, there is a disclosure requirement to Centers for Medicare and Medicaid Services (CMS). This disclosure is not to the employee, but to CMS. This disclosure is done electronically and can be found at: <http://www.cms.hhs.gov/apps/cdisclosure/default.asp>.

The CMS disclosure this year must be filed by March 31 and in the future it must be filed within 60

days of the beginning date of the plan year. There is another explanation on the Business Insurance site found at: <http://www.businessinsurance.com/cgi-bin/article.pl?articleId=18195>.

Specific details to employers in reference to the Medicare Part D Creditable Coverage Disclosures can be found on the CMS site: <http://www.cms.hhs.gov/CreditableCoverage/>. If you did not send the initial disclosure, or need the current wording, the CMS Creditable Coverage site also has a link to a word document called the Model General Creditable Coverage Notice which provides the acceptable format for the disclosure to employees.

The "Disclosure to CMS Guidance" was just posted on the CMS site January 10th. This disclosure requirement has always been part of the regulations but the details are just now being made available. Please call WANADA's Insurance Department, (202) 237-7200 if you have any questions.

FOOTNOTES

EPA Extends SPCC Spill Prevention Compliance Dates

NADA reports that the Environmental Protection Agency (EPA) has again extended the compliance deadline for dealerships with aboveground oil storage that fall under the Spill Prevention, Control and Countermeasure (SPCC) rules. The latest extension allows such facilities until October 31, 2007, to make and implement plan amendments consistent with EPA's 2002 SPCC rule.

In December, EPA formally proposed a small-facility exemption that largely reflects the position of the small business coalition spearheaded by NADA. Under the proposal, covered facilities having an aboveground oil storage capacity of 10,000 gallons or less could self-certify an SPCC plan without the use of a professional engineer. NADA has also urged EPA to allow a facility with a capacity of 1,320-5,000 gallons to keep a one time, one page, self-certification form in lieu of an SPCC plan. The final small-facility rule is expected to be issued by mid-year. If you have questions, e-mail regulatoryaffairs@nada.org or call (703) 821-7040.

Win the NADA/USA Today Dealer Innovation Award

Nominate someone for the NADA/USA Today Dealer Innovation Award. Use the one-page form at www.nada.usatoday.com to tell us how using technology has improved business operations. Deadline for entries is March 10, 2006. Four semi-finalists will be chosen, three of whom will receive half-page coverage in a regional edition of *USA Today*, and one will be named the national winner. The national winner will receive a full-page tribute in all U.S. editions of *USA Today* and a trip to New York City to be honored at an event April 11. See the website for details.

“Tools for the Future” *(Continued from page 1)*

one that all Rotarians should support wholeheartedly,” said Colleen Aycock, president of the Gaithersburg Rotary Club. As the former president of an Austin, TX Rotary Club, Aycock points out she has seen a lot of projects, “and this one is the most successful.”

“The reason is that Rotarians are taking an active role in the program, and there is a continuum from the selection of outstanding candidates all the way through the evaluation period. So this program ensures success,” said Aycock, a freelance writer who is currently a member of the Rotary Auto Tech Program Committee for District 7620, which includes clubs in Maryland and DC.

“Vocation was one of our founding Rotary areas...and to find something of this quality in our own backyard is truly amazing, and we need to support it,” she added. “What could be a better program for Rotarians than providing these kids the tools for the future to make a living? Just think of what these kids could do in a lifetime.”

WANADA’s tech team of Archie Avedisian, Bill Belew and Wil Desjardins will be making a presentation to the Silver Spring Rotary Club next month.

Tonight Show Memories...

“O tell us, exalted one, what is the meaning of sis, boom, bah?”

“It is an important question you have posed...”

It’s the sound of a sheep exploding.”

—Johnny Carson and Ed McMahon
Doing Carnac the Magnificent