



THE WANADA BULLETIN

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

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Virginia Emergency Safety Standards Now Fully in Effect

Please note that, as of last Friday, Virginia's state-specific [workplace safety standards](#) are now fully in effect, and are being enforced. As of this past Friday, businesses in the state were required to have produced and implemented infectious disease preparedness plan for employees who fit the "medium" risk category, and to train those employees on it.

Please review the [Emergency Temporary Standards compliance checklist](#) that our partners at Charapp & Weiss, LLP produced, and visit the state [Department of Labor and Industry ETS information page](#) for a full rundown of relevant documents and guidelines.

Positive COVID-19 cases that can be connected to your workplace must be reported through the [Virginia Department of Health's online reporting portal](#). The portal allows employers to submit up to 10 positive cases at one time. You may also [visit this page on the DOLI website](#) to view the best points of contact for reporting all types of workplace injury and illness via phone.

Fines for violating the ETS can be at least \$13,000, and can go as high as nearly \$135,000, depending on the severity of the violation. Please make sure that you are in full compliance with the ETS guidelines, as well as all of [Virginia's phase three mandates](#) and best practices.

Please continue diligently following all state and local mandates and best practices, no matter where in the region your business is located, and continue documenting all your efforts to comply with them. We at WANADA greatly appreciate your hard work and diligence, and will continue doing all we can to help support our members during this time.

Several Important Md. Dealer Laws Take Effect Thursday

A [Maryland MVA Bulletin issued earlier this month](#) covers several new laws that will take effect in the state beginning on Thursday.

Among those notable to dealers are new provisions that [allow for electronic sale](#) and delivery of vehicles by dealers, [and a law](#) that empowers the MVA to suspend a business license on an emergency basis if it deems that the business violated certain safety inspection requirements. As of tomorrow, dealership owners or partners must also provide vehicle OEMs with written notice when they are attempting to sell or transfer franchise rights.

Joint bill [SB 134](#) and [HB 139](#) codify into law a requirement that, except “under certain circumstances,” only an authorized auto dealer may sell and deliver a vehicle through electronic means. It also requires that, for a sale to be executed, the dealer provides a consumer with a “reasonable opportunity” to review and electronically sign the sale documents.

Under these co-filed bills, a vehicle must be delivered either to the dealership or into the buyer’s possession no more than seven days after the contract is signed, unless an alternate delivery time is mutually agreed upon. The bills were filed by Del. Brian Crosby (D-St. Mary’s) and Sen. Brian Feldman (D-Montgomery).

[HB 157](#), which was filed by request of the state Department of Transportation, authorizes the MVA to suspend a business license prior to holding an administrative hearing, if the MVA rules that the licensee is “is in violation of certain used vehicle safety inspection requirements and that there is a danger of immediate, substantial, and continuing harm to the public if the license is continued pending a hearing.” The bill requires the MVA to grant a hearing on the license suspension within seven days.

Joint bill [HB 1064](#), filed by Del. Kris Valderamma (D-Prince George’s) and [SB 813](#), filed by Sen. Jeff Waldstreicher (D-Montgomery), require “an owner, partner, or stockholder of a vehicle dealership seeking to sell, assign, or otherwise transfer a franchise, or any rights under said franchise, to provide a written notice to the vehicle manufacturer of the proposed transfer.”

The bill also requires OEMs to provide any necessary forms to a franchise owner or partner to help facilitate a transfer, while providing an OEM with up to 75 days to give consent to the transfer, or to provide written refusal “within the existing requirements,” as outlined by the [text of the bill](#).

[Please review the full MVA Bulletin](#) for more information about the other vehicle-related laws that are taking effect this week. You may also contact Joe Koch, WANADA’s Vice President of Operations, at jk@wanada.org if you have any questions.

Reminder: WANADA’s Annual Meeting Goes Virtual on Nov. 5

We wanted to remind you that [WANADA’s 2020 Annual Meeting](#) will be held virtually on Thursday, Nov. 5, from 11 a.m. to noon. As we noted in the last Bulletin, WANADA members and partners will receive information on how to register for the online event no later than mid-October. We will also be providing details on the meeting’s keynote speaker at that time.

WANADA would like to once again thank all of the event’s sponsors for their support of this year’s annual meeting. The sponsors are: [Penney Design Group](#) (Registration Sponsor); [ACV Auctions](#); [Armatus Dealer Uplift](#); [Crovato Products & Services](#); [Truist Bank \(formerly BB&T and SunTrust\)](#); [Councilor, Buchanan & Mitchell, P.C. - CPAs & Business Advisors](#); [The Keats Group at RBC Wealth Management](#); and [WellNet Healthcare](#).

U.S. Treasury Dept. Issues Final Regulations on Floor Plan Financing and Bonus Depreciation

Last week, the U.S. Treasury Department issued a [second set of final regulations](#) that clarify a couple of write-off provisions that were enacted under the [Tax Cuts and Jobs Act of 2017](#), and are of note to dealers.

According to the National Automobile Dealers Association, the latest set of guidance clarifies that “dealers whose total business interest, including floor plan financing interest, is below the statutory cap on interest are eligible for bonus depreciation.” The cap on interest deductibility had been 30 percent of a dealer’s adjusted taxable income through 2019, but was raised to 50 percent for 2020 under the CARES Act.

Under that law, passed this past spring, the ATI cap for interest deductibility was also retroactively raised to 50 percent for corporations in the 2019 filing year.

Also, according to NADA, the Treasury Department has clarified that “the determination of a dealer’s eligibility for bonus depreciation is made on an annual basis (meaning ineligibility one year does not necessarily preclude eligibility the next year).” In addition, “the IRS will promulgate transition rules for dealers who elected out of bonus depreciation or who reduced their floor plan financing in 2018.”

NADA has said that it will issue additional guidance on the Treasury regulations in the near term, and we will be sure to share that in an upcoming issue of the Bulletin.

Va. MVDB Provides Another Update on Sales License Background Check Providers

As we have reported previously, Virginia auto dealers are now required to complete background checks on behalf of new sales personnel who are seeking a license in the state. When the mandate went into effect on Aug. 1, there were just two providers to choose from, but there are now seven authorized vendors.

Dealers will need to get a unique background check code number for each sales staff member, and list it on the [MVDB 61 form](#) they submit to the state on their behalf.

The following providers are authorized to conduct MVDB-approved background checks for those seeking new salesperson licenses:

Screening One

Paul Craddock
919-533-5005

Paul.Craddock@screeningone.com

Accurate (formerly Careerbuilder)

866-255-1852

connect@accurate.com

Reliantcy

800-649-1243

support@reliantcy.com

Employment Screening Services

Russ Blitz

205-879-0143

rblitz@es2.com

Partnership Screening International Inc.

Jim Hulburt

804-221-2341

j.hulburt@psiva.com

Bill Auchmoody

804-908-4771

b.anchmoody@psiva.com

The Cole Group

Paige Johnson, EVP of Operations

1-800-337-0165

MVDB@thecolegroup.com

EBI

Kristine Redko, Enterprise Account Manager

800-324-7700 x 142

kredko@ebiinc.com

Please note that you are required to include the unique background check code on each application prior to submitting it to the MVDB. The MVDB also notes that some background check providers may “require exclusive use agreements or minimum service agreements to utilize their services.”