

Iowa Automobile Dealers Association ACTION UPDATE

IADA Calendar

August 10–11, 2017

IADA Summer Board Meeting
Des Moines

September 12–13, 2017

NADA Washington Conference
Washington, DC

October 9–19, 2017

IADA Town Meetings
Various Locations Across Iowa

Iowa Automobile Dealers Association

Chairman

Jim O'Halloran
O'Halloran International Inc.

Vice Chairman

Jeff Haun
Riley Mazda Subaru Mitsubishi

President

Bruce Anderson

Secretary

Mike Clemons
Clemons Chevrolet

Treasurer

Jeff Finch
Wes Finch Auto Plaza

Immediate Past Chairman

Brad Deery
Deery Brothers

The *Action Update* newsletter is published every other week by the Iowa Automobile Dealers Association. To add people to our distribution list or share suggestions for future articles, contact Brittany Bungert at 515.440.7620.

Jeff Weber Elected NADA Director

Iowa has a new NADA Director-elect.

Jeff Weber of **Anderson-Weber Inc.** (Dubuque) and **Toyota of Muscatine** was elected during the second round of balloting to succeed **Mark Birdnow** of **Birdnow Dealerships** on the NADA board when Birdnow's term expires in 2018.

Weber has been a longtime active member of IADA, serving as the association's chairman in 2015.

"Passionate about protecting business owners from onerous regulatory overreach and ensuring small business owners always have a voice in our government and with our respective manufacturers, I have traveled to Washington, DC on numerous occasions to advocate on behalf of Iowa dealers meeting with all members of Congress representing Iowans in addition to NADA staff," Weber said earlier this year. "In today's politically charged environment, I believe dealers need a strong advocacy group like NADA to represent our interests and agenda in Washington, DC and to provide a unified front to oppose unfriendly factory involvement in our business."



Jeff Weber

Regulatory Refresh: Smokefree Air Act Violations Can Result in Revocation of Dealer License

Is your dealership in compliance with the Iowa Smokefree Air Act? If not, your dealer license could be suspended or revoked in addition to being fined.

The law includes a complete ban on indoor smoking in Iowa workplaces and requires that "no smoking" signs be posted on all [doors](#) and [company motor vehicles](#) unless the vehicle is assigned to a single employee for that employee's exclusive use. The law also requires the removal of all ashtrays from areas where smoking is prohibited. The required signs must be specific and detailed, and they must "clearly and conspicuously" inform people that they are entering a non-smoking area. The law extends to vehicles owned, leased, or provided by an employer, but inventory is not included.

The "no smoking" signs required by Iowa law

must contain the following elements:

1. The words "No Smoking" or the international "no smoking" symbol
2. The Smokefree Air Act Helpline, 1-888-944-2247
3. The official website, www.IowaSmokefreeAir.gov

If your dealership fails to comply with the signage regulations, you could incur a civil fine of \$100 for a first offense, \$200 for a second offense within a year, and up to \$500 for the third and subsequent offense within a year. In addition, violations of the Smokefree Air Act may result in the suspension or revocation of any permit or license issued to the person for the premises on which the violation occurred, including your dealer license.

Self-Driving Vehicle Legislation Advances, Loeb sack Supportive

Congress is considering legislation to regulate self-driving vehicles and prevent a “patchwork” of state laws and regulations that would require automakers to build different vehicles for different states. The original draft of the legislation was overly broad and could have preempted state laws relating to distribution, repair of automobiles, and other consumer protections. With the support of Iowa Congressman Dave Loebsack (IA-02) the House Energy and Commerce Committee revised the bill to adopt language preserving the rights of states to regulate the distribution, sale and serving of motor vehicles and advanced the legislation for consideration by the full House of Representatives.

The Anderson Report: The Most Effective Approach

BY IADA PRESIDENT BRUCE ANDERSON

Thank you for your contribution to Iowa Committee of Automotive Retailers, IADA's political action committee. IADA intends to use it well to support business-friendly legislators and candidates. Ideally, we'll do that in a way that permits us to tell your story. That is—the story of Iowa's automotive retailers. And that includes what great jobs there are at dealerships—and how highly skilled the dealership workforce is—and what an important role in keeping Iowa's roads safe dealerships have—and how much tax revenue you generate to build those roads—and maybe most importantly how they can help Iowa's auto dealers, dealership employees, auto owners, and the entire state by enacting business-friendly legislation and reforms to the Iowa motor vehicle franchise law.

So here's the thing. That money that I thanked you for sending in? Now we need to deliver it to deserving legislators and candidates. That's where I need your help. There are really only three ways that I can think of to make a contribution to a political campaign.

First, you can write a check and stick it in an envelope and let the mailman get it to the legislator. While that may be the easiest approach, it isn't particularly effective. Sure, we could stick a brochure or even a handwritten note in with it, but it just doesn't have the impact that a personal conversation has. The second method—and one that legislators promote even harder than the mail-solicitation approach is the lobbyist fundraiser event. It works like this: Send an invitation to every lobbyist who is employed by an association or business that has a PAC and spend 90 minutes in a crowded Des Moines restaurant or bar shaking hands and collecting campaign contributions. I think that's a better approach than mailing donations, but it's still missing something in my opinion. It's missing you.

Think about it. Which do you think is the most effective approach: 1) a check in the mail; 2) a check dropped in a basket at the entrance to a crowded reception full of lobbyists; 3) a check presented over a cup of coffee during a tour of an automobile dealership led by the dealer or general manager? The answer is obvious. And so is the conclusion and point of this column. That conclusion is simply this: Let's get together with your local legislator in your dealership. It will only take 30 minutes or so, and I promise you it will make a great impression on him or her. Call or email to let me know you're willing, and we'll get it scheduled.

IADA President Bruce Anderson may be reached at banderson@iada.com or 515.440.7630.

Dealer News

McGrath Family of Dealerships Purchases Zimmerman Auto Center

McGrath Family of Dealerships is purchasing **Zimmerman Auto Center** (Cedar Rapids), effective August 11. The acquisition adds three new franchises—Ford, BMW, and Mitsubishi—and a second Hyundai dealership to the McGrath auto group.

For more information, read [“Zimmerman dealership sold to McGrath”](#) from KCRG.

Van Horn Automotive Group Purchases Grovert Motor Co.

Van Horn Automotive Group, a family-owned business based in Wisconsin, has purchased **Grovert Motor Co.** (Newhall). The new **Van Horn Chevrolet of Newhall** marks the group's first expansion into Iowa.

For more information, read [“Van Horn Automotive Group acquires Grovert Chevrolet; Reconnects with family roots in Iowa”](#) from the Cedar Valley Times.

Subaru Stellar Care Award Winners Announced

Subaru has announced the recipients of the 2017 Stellar Care Award. **Ramsey Subaru** (Urbandale) is a five-time recipient, **Riley Subaru** (Dubuque) is a three-time recipient, **C & S Subaru** (Waterloo) is a two-time recipient, **Dave Wright Subaru** (Hiawatha) is a two-time recipient, and **Jensen Subaru** (Sioux City) is a two-time recipient.

New Employment Eligibility Verification Form Must Be Used Beginning September 18

Form I-9, the Employment Eligibility Verification form, has been revised by U.S. Citizenship and Immigration Services. Either the old form (marked “11/14/16N”) or the new form (“07/17/17 N”) may be used until September 18, 2017, at which point the new form must be fully adopted.

Consult NADA's [Driven Guide to Employment Eligibility Verification](#) for more information about the requirement to use Form I-9 to verify an employee's identity and employment authorization. The U.S. Citizenship and Immigration Services also [provides resources for employers on its website](#).

Three Things You Need to Know About Disclosing Damage on New Vehicles

Here are three things that you need to know about Iowa's new vehicle damage disclosure law:

1. It applies to any damage to a new motor vehicle when the cost of repair is more than 4% of MSRP. The old minimums of \$300 and 4% of dealer adjusted cost are no longer applicable and there is no exemption for glass or electronics.
2. The 4% of MSRP threshold does not apply and the statute requires the disclosure of any and all repairs unless the dealership has posted a notice that repairs, adjustments or replacements (including those under the 4% threshold) will be disclosed upon request. The law provides dealers no protection unless that notice is posted. [IADA Printing & Promotions stocks a notice sign that complies with this requirement.](#)
3. The statute requires that a specific form issued by the Iowa attorney general be used when selling a new vehicle that has had repairs costing more than 4% of MSRP to repair. Before July 1, 2014 no specific form was required, but now the protections of the law do not apply unless the AG's form is used. [It can be downloaded free here: New Vehicle Damage Disclosure Form.](#)

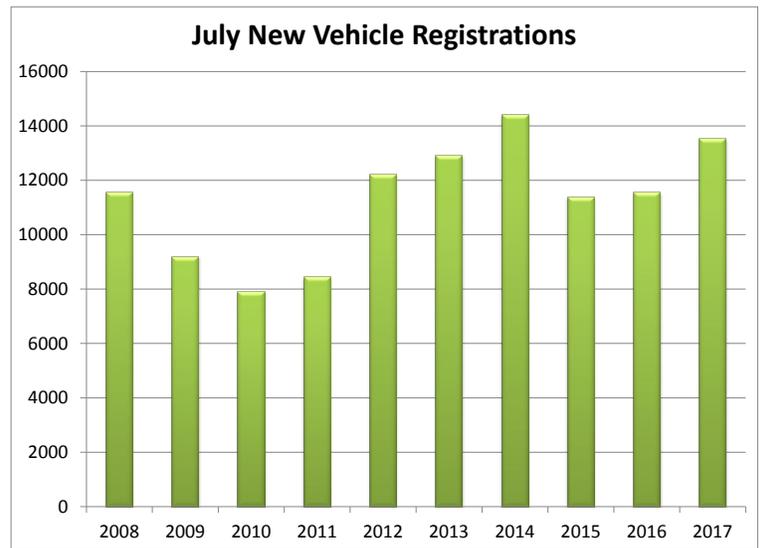
July New Vehicle Registrations Up 17.1% Over 2016

Iowans registered 13,531 new vehicles in July 2017, up 17.1% from the 11,554 vehicles registered in 2016. The year-to-date total new vehicle registrations climbed to 79,882, which is up 1.6% from the same time last year.

Quick Hits

- July was the second-best month for registrations in 2017, behind only the 14,011 new vehicles registered in January.
- Last month was the second-best July in a decade, behind July 2014 when Iowans registered 14,429 new vehicles.
- The 13,531 new vehicles registered makes the month ninth on the list of top ten months for new vehicles registrations in Iowa dating back to January 2006.

IADA receives new vehicle registration reports from Reg-Trak Inc. For more information, contact [Scott Quimby](#) at 877.335.2525.



Biggest Registrations Increase July 2016 – July 2017

Make	July 2016	July 2017	Increase	% Change
Ford	1,860	2,369	509	27.4%
Toyota	1,207	1,561	354	29.3%
Honda	644	922	278	43.2%
Chevrolet	2,533	2,811	278	11.0%
Ram	386	616	230	59.6%
Kia	367	508	141	38.4%
Jeep	676	757	81	12.0%
Nissan	633	708	75	11.8%
Hyundai	327	398	71	21.7%
Subaru	287	356	69	24.0%

Biggest Registrations Decrease July 2016 – July 2017

Make	July 2016	July 2017	Decrease	% Change
Chrysler	358	241	-117	-32.7%
GMC	602	564	-38	-6.3%
Dodge	368	333	-35	-9.5%
Buick	322	298	-24	-7.5%
Cadillac	97	85	-12	-12.4%
Lincoln	77	67	-10	-13.0%
Smart	7	1	-6	-85.7%
BMW	53	48	-5	-9.4%
Jaguar	18	15	-3	-16.7%
Lamborghini	2	1	-1	-50.0%
Volvo	33	32	-1	-3.03%

Source: Reg-Trak Inc.

AMES

October 18

8-10 a.m.

Gateway Hotel &
Conference Center

CEDAR RAPIDS

October 11

8-10 a.m.

Cedar Rapids Marriott

CORALVILLE

October 11

12-2 p.m.

Brown Deer Golf Club

COUNCIL BLUFFS

October 19

12:30-2:30 p.m.

Holiday Inn Council Bluffs

DAVENPORT

October 10

12:30-2:30 p.m.

The Current Iowa

DECORAH

October 9

3-5 p.m.

Hotel Winneshiek

DUBUQUE

October 10

8-10 a.m.

Hotel Julien

MASON CITY

October 9

11 a.m. - 1 p.m.

Hampton Inn & Suites

SIOUX CITY

October 19

8-10 a.m.

Stoney Creek Hotel &
Conference Center

STORM LAKE

October 18

1-3 p.m.

King's Pointe Resort

WEST DES MOINES

October 17

11:30 a.m. - 1:30 p.m.

West Des Moines Marriott



Meet with Legislators, Discuss Dealer Issues at IADA Town Meetings

Dealers and managers will have the opportunity to discuss Iowa franchise law issues with local legislators and learn details about electronic vehicle registration at IADA's Town Meetings, which will be held October 9-19.

[Register to attend one of the meetings.](#)

Topics on the agenda include warranty reimbursement, two-tier pricing, data security, recalls, and sales performance standards, as well as an update on federal and state regulations.

Questions About Endorsed Vendors? Let Us Know

A competitor of an IADA preferred provider recently called up a member dealership to badmouth the preferred provider, spreading untrue rumors about the company's practices. Vendors can be unscrupulous and unethical, which is one of the many reasons why IADA has established a small, carefully vetted list of preferred providers of endorsed products.

Your association reviews companies to make sure the products endorsed are best-in-class and offer significant value to member dealerships. The list of endorsed products is small—currently fewer than a dozen businesses have made the cut. And that is because an IADA endorsement means something. It means you can trust that the company is reputable and follows best practices. It means that the company has gone through a stringent review process, at the association staff level and with the board of directors. And it means that if you are hearing negative things about a company—or having a less than stellar experience—we want to know about it.

If you ever have questions, concerns, or experiences (both good and bad) with any preferred providers, let IADA know. We want to be aware of the value of the vendors or any perceived problems so that we can continue to evaluate the endorsed relationships or assist with resolving any issues or concerns.

Contact IADA President [Bruce Anderson](#) or CFO [Al Voorhees](#) at 800.869.1900 with any feedback regarding preferred providers.

Discounted Tickets Available for Iowa, ISU Football Games

IADA members can purchase tickets to select Iowa, Iowa State, and UNI football games at a discount.

Tickets are available for:

- Iowa vs. Wyoming
Saturday, September 2
- Iowa State vs. UNI
Saturday, September 2
- Iowa vs. North Texas
Saturday, September 16
- Iowa vs. Penn State
Saturday, September 23
- Iowa State vs. Texas
Thursday, September 28
- Iowa vs. Purdue
Saturday, November 18

Visit the Bravo Sports Marketing web pages for IADA's [Iowa tickets](#) and [Iowa State/UNI tickets](#) for prices and additional information.