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Chairman's Corner

By: David Simpson, Chairman, CNCDA

Dear CNCDA Members,

I hope this message finds you well as we drive into March. CNCDA provides our members with the latest updates, resources, and support to help you navigate California's ever-evolving automotive landscape.

This month, I want to update you on the progress made regarding the Private Attorneys General Act (PAGA). As you may know, CNCDA recently adopted a dual-track approach to fixing PAGA for members. While we continue to pursue legislative solutions through a targeted public affairs campaign, we're also maintaining momentum on the ballot measure front. This parallel path allows us to demonstrate strength to the public and opposition alike, infusing the campaign and the legislative effort with funds from our members and coalition partners.



This year alone, we've raised almost \$50k from members who know that donating to ensure a PAGA solution equates to substantial financial victories for all. Your support remains crucial to the success of both our legislative solution and ballot measure campaign. By backing our efforts, you're contributing to a pragmatic strategy that has the potential to yield tangible results for our industry. If you haven't donated, please do so today at <https://www.cncda.org/advocacy/paga/>.

In addition to our advocacy efforts, I'm excited to announce that we are in the thick of Dealer Day preparations. [Dealer Day](#) is a cornerstone event for our association, bringing together industry leaders, experts, and stakeholders for a day of education, networking, and advocacy. In this bulletin, you'll find the essentials you need to make the most of this important event, including what to expect, a Dealer Day explainer video, and more.

I encourage all members to take full advantage of the resources provided in this bulletin and to participate actively in Dealer Day. **This year's top three issues include fixing PAGA, SB 903 (prohibiting PFAS chemicals in vehicles and other products), and SB 961 (banning speed-limiting software in vehicles). Please scroll down to the Dealer Day Prep School to read more about these issues in detail.**

Thank you for your continued dedication to CNCDA. We look forward to seeing you at Dealer Day and continuing our efforts to drive positive change in our industry.

Warm regards,

David Simpson
Chairman, CNCDA

Simpson Buick GMC Cadillac of Buena Park
Simpson Chevrolet of Garden Grove
Simpson Chevrolet of Irvine

DMV Enforcement of Late Title Transfers Continues to Increase

By: Anthony Bento, Chief Legal Officer

In recent months, CNCDA has received an increase in calls from dealers on DMV enforcement actions for late title transfers. Last year, DMV leadership informed CNCDA that they would be increasing enforcement in this area, and we covered the topic in our New Laws Seminars in December 2023 and in our May 2023 and December 2023 bulletins. Since then, several dealerships have been unfortunately hit with such enforcement actions.



In light of increased DMV enforcement in this area, we wanted to again remind California dealers of the importance of the timely transfer of titles to customers. Reproduced below is an excerpt from a December 2023 bulletin article written by CNCDA's Senior Staff Counsel, Crissy Hodgson, on title and registration transfers under California law.

Dealer's Failure to Meet Timelines to Transfer Registration and Title to Buyers

California law requires dealerships to timely transfer title and registration of vehicles to buyers. Failure to follow these laws can result in fines, which cannot be passed on to the buyer, and disciplined by the DMV. The DMV is increasing enforcement efforts against dealerships that violate these laws, so it is important that you understand and follow these regulations, to remain in compliance with your DMV dealer license requirements. Here is a summary of the applicable laws:

- Dealerships must apply for registration or transfer of registration to the DMV within 20 days after the sale of a new car, or 30 days after the sale of a used car. (Cal. Veh. Code §4456, subd. (a)(2).)
- If the DMV returns an application for registration and the application was first received by the DMV within 20 days of the date of sale of a new vehicle, the dealer must submit a corrected application within 40 days from the date of sale of the vehicle or 20 days from the date that the application is first returned by the DMV, whichever is later. (Cal. Veh. Code §4456, subd. (a)(5).)
- If the vehicle is used and the application was first received by the DMV within 30 days of the date of sale of the vehicle, then the dealer must submit a corrected application within 50 days from the date of sale or within 30 days from the date that the application is first returned, whichever is later. (Cal. Veh. Code §4456, subd. (a)(5).)
- This means that the maximum time between the date of sale and the receipt of registration should be approximately 40 days for a new vehicle and 60 days for a used vehicle.
- Dealers must transfer the certificate of ownership (title) of a vehicle to the buyer within the same timelines required for transferring the registration. (Cal Veh. Code §5753, subd. (b).)
- Legal owners have 15 business days from the date payment is received in full to release their security interest and transfer title to the owner of record. (Cal. Veh. Code §5753, subd. (c)(1).) If they fail to do so, they may have to pay up to \$2,500 (or \$7,500 with triple damages) plus costs/attorney fees incurred in any court action brought by the buyer. (Cal. Veh. Code §5753, subd. (e).)

California dealers should note that DMV Investigations targets dealers who fail to furnish the certificate of ownership to the Department in a timely manner. Dealers may wish to review their sales practices to ensure compliance with the above-mentioned legal requirements.

PAGA Update

By: Andrea Daugherty, Political Engagement Manager

CNCDA would like to extend a huge thank you to the dealers listed below who have stepped up to meet with their legislators and donate to our Fix PAGA public affairs campaign. This is the closest our association has ever been to a real resolution for our dealers and this alternate path will help end PAGA cases faster with better outcomes for both employers and employees.

These dealers recently met with legislators to discuss fixing PAGA:

Jessie Dosanjh - Stevens Creek Chevrolet
 Kevin Massie - Napa Ford Lincoln
 John Oh - Lexus of Westminster
 Geoff Pleau - Future Automotive Group

George Saad - Tuttle-Click Automotive Group
 Pete Spitzer - Ron DuPratt Ford
 Ed Yashar - Tuttle-Click Automotive Group

PAGA Public Affairs Campaign TOP THREE DONORS <small>(as of 2.29.24)</small>		
DEALER	DEALERSHIP	DONATION AMOUNT
Kim Mesfin	Affinity Truck Center	\$20,000
Bob Nouri Pete Shaver Armina Mgerian	Nouri Shaver Automotive Group	\$15,000
Paul Thiel	Palm Springs Motors, Inc.	\$6,000

[If you are interested in donating to our PAGA campaign, please click HERE.](#)

If you'd like more information on meeting with your legislators, please email Andrea Daugherty at adaugherty@cncda.org.

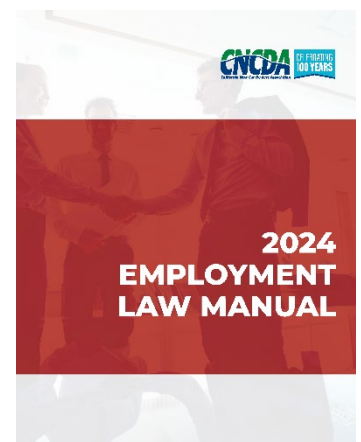
New Employment Law Manual Added to Resources Available on CNCDA Comply

By: Anthony Bento, Chief Legal Officer

Your membership to CNCDA includes access to our electronic compliance resources on Comply, which you can [access on our website here](#). You can also get more detailed Employment Law info at our new [Employment Law Webinar Series; register here](#).

Since January 2023, over twenty resources on different topics have been added to Comply. In addition to our monthly bulletins and various dealer alerts, these include:

- Updated COVID-19 Resources (February 2023)
- Model Voluntary Protection Products Policy (February 2023)
- F&I Compliance Manual (April 2023)
- Credit Card Surcharges Compliance Memo (June 2023)



- Privacy Law Handbook (June 2023)
- 2023 Legislative Summary (November 2023)
- Catalytic Converter Marking Guidance (December 2023)
- New Employment Policies and Documents for 2024 (December 2023)
- COVID-19 Compliance Update (December 2023)

In February 2024, our new Employment Law Manual was added to this list. The manual, which can be downloaded as a 125-page PDF, includes a comprehensive discussion on a myriad of employment law compliance topics impacting California dealers. These topics include:

- Hiring
- Recordkeeping Obligations
- Wage & Hour
- Laws Prohibiting Discrimination, Harassment, and Retaliation
- Leaves of Absence and Workplace Safety
- Privacy Rights
- End of Employment

Before developing any compliance manual, CNCDA consults with legal experts with extensive experience in the area. Because California law is complex and can differ greatly from federal law, and dealership operations present unique challenges, CNCDA ensures that the experts that we consult have deep knowledge in advising California dealerships.

Our new Employment Law is no different. CNCDA worked with expert legal counsel at Littler Mendelson, P.C. over the course of many months to develop the content in the manual. As we move deeper into 2024, you can expect to receive electronic copies of additional compliance resources. Development of our 2024 Franchise Law Manual is well underway and will cover important new topics related to CNCDA's 2023 Franchise Bill (AB 473). Expect that manual and an accompanying webinar in Spring 2024.

As always, if you have any questions about any topic discussed on CNCDA Comply or about an issue involving California law, do not hesitate to call our legal hotline at 916-441-2599. The CNCDA hotline is yet another benefit of your membership.

California Judges Hostile Toward Binding Arbitration Reiterate: Pay Arbitration Fees Timely or Lose the Right to Arbitrate

By: John Boggs, Fine Boggs & Perkins, LLP

In July 2023 we reported on the California Court of Appeal's decision in Cvejic v. Skyview Capital, LLC, which held that an employer was in material breach of an arbitration agreement by failing to pay arbitration fees within 30 days of the original due date, even though the arbitrator had extended the payment deadline. The court dismissed the arbitration proceedings under Code of Civil Procedure §§ 1281.91-1281.99, which provides that the employer is in material breach of the arbitration agreement if the drafting party does not pay the arbitration fees and



costs timely (usually the due date on the arbitrator's invoice or 30 days after receiving the invoice). The consequence of being in material breach (failure to timely pay) under these provisions is that the employee can withdraw from the arbitration and proceed in court with a jury. Further, the court can award sanctions against the employer for attorney's fees and costs associated with the abandoned arbitration proceedings. The takeaway from that July 2023 article was that Dealerships must pay arbitration-related fees immediately upon receipt to avoid the loss of the right to arbitration and the risk of paying attorney fees and costs to the employee.

In the months since the Cvejic case was decided in June 2023, California appellate courts repeatedly found that employers breached their arbitration agreements by paying arbitration fees and costs more than 30 days after their due date. In September 2023, the First District Court of Appeal issued its decision Doe v. Superior Court (Na Hoku, Inc.), holding that an employer violated the prompt payment law when it mailed the fee payment prior to the 30-day deadline, but the arbitrator did not receive the check until after the 30 days had elapsed. Strictly enforcing the 30-day grace period in which to make payment, the court held that "We do not find that the proverbial check in the mail constitutes payment and agree with petitioner that real parties' payment, received more than 30 days after the due date established by the arbitrator, was untimely."

In January 2024, the Fourth District Court of Appeal in Suarez v. Superior Court (Rudolph & Sletten, Inc.) held that the normal statutory rules which apply to extend due dates when a deadline falls on a weekend or holiday and when the deadline is established by a document which is served by means such as electronic do not apply to payment of arbitration invoices. Citing the Doe case's strict enforcement of the 30-day grace period in which to make payment, the Suarez court concluded that "The overriding moral of this story may be to pay your bills on time." Since the employer's payment was not made within the 30-day grace period, the employer was in material breach of the arbitration agreement under Code of Civil Procedure §§ 1281.91-1281.99, and the employee was entitled to withdraw from the arbitration.

Most recently, on February 27, 2024, the Second District Court of Appeal in Hohenshelt v. Superior Court (Golden State Foods Corp.) held that the employer materially breached the arbitration agreement by failing to timely pay arbitrator fees and costs within 30 days of their due date. The twist in Hohenshelt was that the arbitrator initially billed the fees, then later apparently extended the due date when it billed for additional fees. The court determined that, absent consent from all parties, the arbitrator cannot unilaterally extend the due date for payment of arbitration fees and costs.

These cases reiterate the trend of California courts to issue decisions limiting employers' rights to demand binding arbitration of employment-related disputes. To combat this anti-arbitration sentiment, Dealerships must remain vigilant in paying arbitration-related fees immediately upon receipt so that right to arbitration is not lost and to avoid the risk of paying attorney fees and costs to the employee. Although Dealerships routinely put other invoices in line for payment once per month or on some other accounting schedule, this practice cannot be used with payment of arbitration fees. Rather, all invoices for arbitration fees and costs must be promptly paid when presented by the Dealership's counsel or the arbitration service provider.

A Dealership's right to require an employee to arbitrate claims helps to level the playing field in employment litigation. Arbitration is a much more friendly environment for employers to litigate employment-related claims as it places a retired judge in charge of making decisions instead of relying on the "lottery wheel of justice" that is the jury system. Having a binding arbitration agreement also helps stop class and other collective claims, so overall it significantly reduces legal risk,

especially for high-profile cases. Prompt payment of arbitration fees will ensure that these benefits of arbitration are not lost by a Dealership.

We have seen a recent alarming trend by Plaintiffs' attorneys in California that is clearly an attempt to catch unsuspecting dealers and cause dealers to breach the agreement and waive arbitration. What is happening is that Plaintiffs' attorneys are now unilaterally notifying arbitration providers such as AAA, JAMS, etc. opening the arbitration process without any discussion or agreement by the dealership's legal counsel. The arbitration provider then sends out a bill and if not paid within thirty days, the plaintiff claims a breach of the arbitration obligation and waiver, sending the case back to a jury in Superior Court. The problem with this is that the dealer has not agreed to use the arbitration service selected by the Plaintiff, but the process of challenging the unilateral assignment may result in the Plaintiff's attorney arguing the fees had to be paid regardless of the objection and hence a waiver by the dealer. Given the number of recent cases finding employer waivers, there is a real risk of not paying even if the fee or the provider is the subject of the dealer's well-founded objection. We have already seen Plaintiff's attorneys attempt this and the pace of such instances is accelerating.

Once again, the moral of this story is that Dealerships must pay arbitration-related fees immediately upon receipt to avoid the loss of the right to arbitration and the risk of paying attorney fees and costs to the employee even if there is a dispute over fees or the arbitration provider. The fees can be returned to the dealer. The waiver is final and results in increased potential liability.

The association and its counsel will continue to monitor the developments and notify dealers if anything changes. If you have specific questions, contact John Boggs at Fine, Boggs, and Perkins LLP at 650.712.8908 or jboggs@employerlawyers.com for the latest information.

Don't Sell Vehicles Eligible for the Federal Clean Vehicle Tax Credits Before You're Fully Registered with the IRS Clean Energy Credits Online System!

By: Crissy Hodgson, CNCDA Senior Staff Counsel

Late last year, the IRS introduced a new online system that dealers must use to process sales reports for electric vehicles and plug-in hybrids ("EV/PHEVs") in order for customers to get the Federal Clean Vehicle Tax Credit from January 1, 2024, and going forward. The IRS regulations were updated to allow customers to transfer their Federal Clean Vehicle Tax Credits to dealers at the point-of-sale, so the dealer can apply the credit amount as a downpayment to the vehicle. For dealers to accept buyers' tax credits, dealers must complete a second part of the registration in the IRS Clean Energy Credits Online system, submitting their bank account information for verification, so the IRS can reimburse dealers for the transferred credits by direct deposit.



Although many dealerships throughout the state have successfully registered with the IRS, many are still working through the process, and some are still waiting for the IRS to resolve technical problems. If your dealership sells eligible EVs/PHEVs and wants to offer to accept buyers' Federal Clean Vehicle Tax Credits so you can apply the credits as down payments, you must be fully registered through both parts of the IRS Clean Energy Credits Online portal system.

Bottom line – for the reasons mentioned below, don't apply the tax credit on a sales contract and deliver a qualifying vehicle to the customer until you've successfully submitted a time-of-sale report using the IRS's website.

First, the buyer will NOT get the federal tax credit if the dealer doesn't submit the time-of-sale report through the IRS Clean Energy Online system by the deadline! For the buyer to get the Federal Clean Vehicle Tax Credit, the dealer MUST successfully submit a time-of-sale report through the IRS Clean Energy Credits Online system within three calendar days of the date of sale. If you don't, the buyer CANNOT claim the credit. The IRS no longer accepts paper seller reports from dealers, so dealers must process the reports through the IRS online portal. If your registration is still pending at the time of sale, there is no way to ensure that the registration will be completed before the 72-hour deadline for the dealer to submit the time-of-sale report, so you'll risk missing the deadline. Unwinding the transaction will be a mess (and potentially fraught with legal risk). The customer will be unhappy to learn that the vehicle is not eligible for the tax credit, and they will likely want to cancel the sale and go to a dealership that is properly registered, and one that can accept their credit for transfer.

Second, dealers will NOT get reimbursed by the IRS for the buyer's federal tax credits unless the dealer successfully transfers the federal tax credits through the time-of-sale report process! To apply the federal tax credit as a downpayment in your deal, you must complete the transfer process through the time-of-sale report submission process through the IRS Clean Energy Credits Online system. You must receive approval that the credit was successfully transferred at the time of sale, which is the IRS's promise to reimburse the dealership for the credit. If you go ahead and give a customer a downpayment credit for the federal tax credit without getting approval through the system, the dealer may be faced with the terrible option of canceling the sale, which can be fraught with legal risk.

Third, once the customer puts the eligible new or used car into service, that EV/PHEV likely loses eligibility for the Federal Clean Vehicle Tax Credit on any subsequent sale, even a sale to the same customer. If you must cancel a sale for an eligible EV/PHEV either because you couldn't submit the report or didn't successfully accept the federal tax credit, and the customer has already put the vehicle into service, that vehicle is NO LONGER eligible for the New or Used Federal Clean Vehicle Tax Credit. This is because the IRS Rules for the credit for new sales (30D) only apply to the first sale of the vehicle, and the rules for the credit for used sales (25E) require the sale to be the first transfer of the eligible used vehicle since the regulations were enacted (August 2022) that shows up on a vehicle history report. Your dealership may be stuck with a car that is no longer eligible for Federal Clean Vehicle Tax Credits and that you must deeply discount to sell.

To avoid these headaches, if your customer is eligible for the Federal Clean Vehicle Tax Credits and you sell eligible EVs/PHEVs, do not complete the sales and let customers take the cars into service until you have fully registered with the IRS Clean Energy Credits Online system and can both process time-of-sale reports and take buyers credits in transfer through the system.

If you have any questions, please contact Crissy Hodgson, CNCDA Senior Staff Counsel, at chodgson@cncda.org or call (916) 441-2599 x126.

2023 Economic Impact Survey Released

By: Autumn Heacox, Director of Communications & Marketing

CNCDA published its 2023 Economic Impact Report last week. The report highlights the contributions new car dealers have made in charitable donations, taxes paid, and employment data, among other trends related to California's economy.

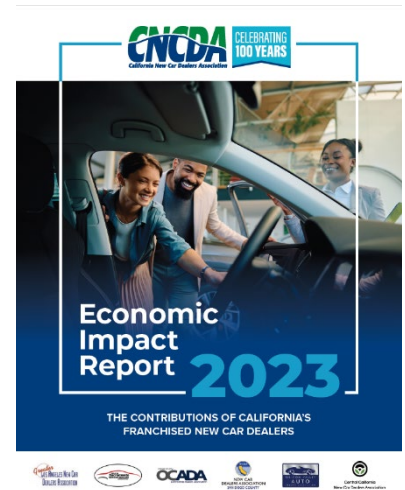
California's franchised new car dealers continue to act as significant statewide contributors. In 2023, California's new car dealers sold 1.77 million new vehicles, employed over 138,807 hard-working Californians, and paid \$10 billion in statewide taxes. In 2023, the average California new car dealership employed roughly 95 people per dealership.

California's new car dealers contributed significantly to the state's economic health, paying a total \$8.74 billion in state sales tax in 2023, an average of \$6.01 million of sales tax per dealership. The average total taxes paid per California dealership in 2023 was \$9.27 million, totaling \$13.64 billion statewide.

New Car Dealers sold 280,891 electric vehicles (EVs) in 2023, which represents 21.4% of the total new light-duty vehicles sold in the Golden State last year. California's EV market share is three times higher than that in the rest of the United States.

Additionally, California's new car dealers consistently act as local community stewards year after year, giving \$67.66 million to charitable and civic organizations in 2023, an average of \$46,500 per dealership to good causes.

The report is made possible by CNCDA's dealer members, who completed the association's annual Economic Impact Survey and statewide auto sales data. [To view the 2023 Economic Impact Report, please click here.](#)



2½-Day Risk Management Academy Offering for All Industries in June

By: Federated Insurance

Federated Insurance® is excited to formally invite business owners in all industries to attend one of our complimentary 2½-Day Risk Management Academy (RMA) offerings from June 4-6, 2024. Led by risk management professionals, this session will be held at Federated®'s Home Office in Owatonna, Minnesota.

Often, business owners may find themselves so busy in the day-to-day workings of their company that they may have less time to focus on the overall safety of their business. This RMA session can help business owners learn how to prevent losses impacting their bottom line by developing risk management best practices, connecting with industry peers facing similar challenges and insurance professionals who are committed to helping owners, and applying what is learned to make a difference at their businesses.

It's Our Business to Protect Yours®

FEDERATED INSURANCE®
Risk Management
ACADEMY

YOU'RE INVITED!
2½-DAY RISK MANAGEMENT ACADEMY

As a business owner, we know you are busy. The Risk Management Academy is an opportunity to network with fellow business owners and develop risk management best practices. All sessions are led by industry leading experts. As a benefit from your association, Federated Insurance® would like to offer you an exclusive invitation to experience our complimentary 2 1/2-Day Risk Management Academy.

KEY AGENDA ITEMS:

- Develop a risk management culture
- Learning the importance of risk management for businesses
- Advantages of using Federated DriveSAFE® Telematics
- Evaluating workers compensation risks
- Focusing on business succession and employee retention

ALL INDUSTRIES
JUNE 4 – 6, 2024

Risk Management Academy
Owatonna, Minnesota

REGISTER HERE
Scan QR code to register or visit [federatedinsurance.com](https://www.federatedinsurance.com)

Don't miss it!

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Building a culture of workplace safety starts with business leaders. [Learn more and REGISTER today](#) to attend this valuable 2½-Day RMA to help take risk management to the next level. To reserve your spot in the upcoming session, or for more information, please contact FederatedRMA@fedins.com.

This article is for general information and recommendations for risk prevention only and should not be considered legal, coverage, financial, tax, or medical advice. There is no guarantee that this information will result in reduced or eliminated losses. This information may be subject to regulations and restrictions in your state. This information is accurate as of its publication date and is subject to change. Qualified counsel should be sought regarding questions specific to your circumstances.

Driving Inspiration with the CNCDA Foundation

By: Kim McPhaul, President, CNCDA Foundation

With over 4,300 unfilled positions at California's new car dealers last year, it is a critical time for the [California New Car Dealers Association Foundation](#) to partner with educators and students to ensure the next generation of auto technicians receive top-tier training and resources to thrive in this lucrative field. At the CNCDA Foundation, we join together with nearly 1,300 new car and truck dealerships across the state to strengthen our footprint by inspiring talented young people to join our industry.

The CNCDA Foundation's mission is to create career pathways for highly-skilled automotive service professionals throughout California. Through our dynamic and accessible programming, we achieve our mission as the statewide champion in developing automotive tech training.

Did you know that as a CNCDA member, your organization has access to top talent and apprentice development and placement through the **CNCDA Foundation Apprenticeship**, powered by [Automotive Apprentice Group](#)? This unique "earn and learn" service model launches in April in Southern California and is just one of the many benefits afforded to you through your membership with CNCDA. Identifying and building high-performing teams cannot be done alone, and we support your journey every step of the way.

Through our mission-focused work, the CNCDA Foundation is committed to inspiring the next generation of students by connecting educators and young people to dealers and automotive manufacturer training through our Automotive Technology Career Days. These outreach events serve as the gateway to ushering in the next generation of automotive technicians, and we need your commitment right now. Please join us and share this exciting [2024 lineup](#) with your network and regional partners.

It is critical that we remove barriers to access and continue to provide a rigorous mentorship program to our brightest student technicians in the community. College students who are 18+ and enrolled in auto tech classes are eligible to earn **Dealer-sponsored \$1,000 Scholarships** to assist with books, tools, tuition, and more. With many community college students eligible for the [California Promise Grant](#), which covers tuition and books, having an extra \$1,000 goes a long way to paying for industry-recognized certifications and building your tool set. But connecting dealers to great student techs, deserving of their dealership scholarship is just the beginning of what we offer to our members at CNCDA.



Our goal is to support dealers and educators who create sustainable, permanent change in each of our students' lives. *It all starts with just one inspired student.*

We invite you to celebrate the good work you are doing every day with our entire membership. Do you have a success story at your dealership? Did a scholarship winner grow into a valued team member? Was their mentor involved in their personal and professional achievements as an auto tech? Look for these powerful student scholarship winner stories in future newsletters. Contact Kim McPhaul at Kmcphaul@cncda.org or (916) 441-2599 x.117.

Call for Participants: NADA Workforce Study
By: Joe Fleming, National Automobile Dealers Association

NADA has reached out to CNCDA to encourage our dealer members to participate in their NADA and/or ATD Workforce Studies. Dealers who participate receive a custom comparison report, a trends report and one-year access to a database search tool. Last year, California had 200 dealerships represented in the study.

Please click on the two attached documents if you are interested in participating.

NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA

ENROLL NOW!
2024 NADA Dealership Workforce Study is now open!

Key figures from last year's participating dealerships

*2022 CY Data

AVERAGE ANNUAL SALARY TO PARTICIPATING DEALERSHIPS	ANNUALIZED TURNOVER FOR ALL POSITIONS AND TITLES	THE AVERAGE YEAR-END HEADCOUNT OF ACTIVE EMPLOYEES
\$106,950	33%	72

NADA
The most comprehensive and accurate data on the automotive industry's workforce. Includes analysis of compensation, retention, turnover, career development, and more. Participation is free and for NADA members only. Enrollment is key to the success of the study. So please consider enrolling today.

PARTICIPATION
Two components:
1. Online Survey: Confidential, 15 min. Training, 10 minutes. Schedules 2nd more.
2. Hard Template: A form to be completed by all employees or any data. All data is confidential. No person or dealer confidential data is shared or recorded.

ENROLL
<https://www.nadaworkforcestudy.com/>

DEADLINE
Certs are sent the 1st of the month and expire 30 days after March 29, 2024.

CONTACT
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joe.fleming@nada.org
703-464-5941

NADA Blue Book: bluebook@nada.org | 800-557-2929 | www.nada.org | nada.org

AMERICAN TRUCK DEALERS

ATD
AMERICAN TRUCK DEALERS
A Division of NADA

ENROLL NOW!
2024 ATD Dealership Workforce Study is now open!

Key figures from last year's participating truck dealerships

AVERAGE ANNUAL SALARY TO PARTICIPATING DEALERSHIPS	ANNUALIZED TURNOVER FOR ALL POSITIONS AND TITLES	THE AVERAGE YEAR-END HEADCOUNT OF ACTIVE EMPLOYEES
\$91,556	24%	46

ATD
What is it?
The most comprehensive and accurate data on the trucking industry's workforce. Includes analysis of compensation, retention, turnover, career development, and more. Participation is free and for ATD members only. Enrollment is key to the success of the study. So please consider enrolling today.

PARTICIPATION
Two components:
1. Online Survey: Confidential, 15 min. Training, 10 minutes. Schedules 2nd more.
2. Hard Template: A form to be completed by all employees or any data. All data is confidential. No person or dealer confidential data is shared or recorded.

ENROLL
www.atdworkforcestudy.com

DEADLINE
Certs are sent the 1st of the month and expire 30 days after March 29, 2024.

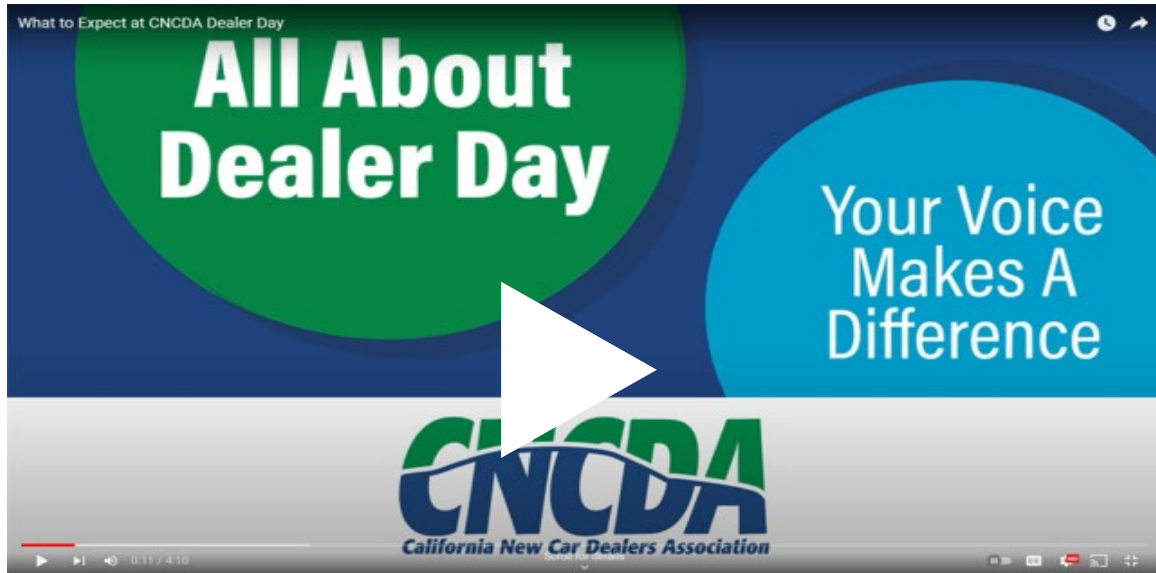
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ATD Dealership Workforce Study | bluebook@atd.org | www.atd.org | atd.org

2024 Dealer Day Prep School

By: CNCDA Staff

What to Expect at Dealer Day



Dealer Day Schedule of Events and Map

SCHEDULE

9:00 am	Registration	Magnolia Prefunction, Kimpton Sawyer Hotel
10:30 am	Legislative Roundtable	Maple Suite, Kimpton Sawyer Hotel
11:15 am	Annual Meeting of the Members, Lunch, and Guest Speaker	Magnolia Ballroom, Kimpton Sawyer Hotel
1:30 pm	Dealer Lounge – Dealers Only	Thirtyfour Mexican Cantina, 1100 O St #5
1:30 – 4:30 pm	Legislative Appointments	Capitol Annex Swing Space, 1021 O St
4:00 – 7:30 pm	Legislative Reception	Revival, Kimpton Sawyer Hotel



Top Three Issues for 2024 Dealer Day

By: Kenton Stanhope, Director of Government Affairs

Dealer Day 2024 is right around the corner! First and foremost, I would like to thank all the CNCDA members for coming to Sacramento on March 20th to meet with their respective Legislators and advocate on issues impacting dealers across California. Your advocacy and time spent with elected officials on Dealer Day is invaluable to accomplishing the goals our Board of Directors has set forth and defeating bad legislation that impacts the automotive industry.

This year over 2,000 new bills have been introduced and will move through the legislative process during the 2024 Session. CNCDA staff have been hard at work reviewing all this legislation and have identified the top three issues dealers will discuss at their Dealer Day meetings. Below is a summary of the issues:

1) FIX PAGA! – Support

Fix
PAGA!



SUPPORT

Summary: California's Private Attorneys General Act (PAGA) was enacted in 2004 with the goal of creating a better system to assist workers in resolving labor disputes for alleged employment violations. Prior to PAGA's enactment, labor disputes were either initiated and investigated by the Division of Labor Standards Enforcement (DLSE), or an employee could file an individual or class action court case.

Reasons for Support: Since its enactment, PAGA has proven to be ineffective and inefficient for workers and decimates small businesses, including community dealerships in California. Under the lawsuit-first system, workers get pennies on the dollar, while lawyers make billions. The average employee award decided through PAGA lawsuits is three times less than the payout under cases decided by the state Labor and Workforce Development Agency (LWDA). On average, under PAGA cases, plaintiff's lawyers receive 33% or more of the total recovery, leaving very little for workers.

The lawsuit-first system also doubles the time to resolve worker claims. State data shows that it takes nearly two years on average for PAGA court cases to be resolved – almost twice as long as cases decided by LWDA. The Labor Commissioner's office found that PAGA's lawsuit-first system "fell short of protecting the interests of the state and workers."

According to an analysis prepared by a former LWDA official, PAGA lawsuits have resulted in more than \$10 billion in payments from employers since 2013, with a significant chunk going to lawyers and workers getting pennies on the dollar. California dealers alone have been shaken down for more than \$61 million in PUBLIC settlements alone.

Example of PAGA at its Worst: *In 2021, UPS was shaken down by attorneys for \$16 million settlement. In that settlement, each UPS employee walked away with \$60 while the attorneys made \$5.5 million.*

Conclusion: The State Legislature should fix PAGA and expand on existing LWDA processes, which are proven to resolve employee claims faster and provide workers with more restitution. Specifically, legislative fixes should prioritize: 1) faster resolution for workers; 2) ensuring more

money goes to workers; 3) tougher penalties on businesses that violate the law; 4) eliminating the need for costly, abusive lawsuits.

- Dealers should also be ready to share their PAGA horror stories with all legislators they are meeting with.
- PLEASE SHARE:
 1. The amount of time and money the PAGA case took from your or another colleague's dealership,
 2. The minor infraction that led to the PAGA action, and
 3. The breakdown of what your workers received, and what the attorneys took (if possible).

These stories are invaluable for Legislators to hear and will motivate them to FIX PAGA!

2) SB 961 (Weiner): Mandatory Speed Limit Software – **Oppose**

SB 961 (Weiner) **Mandatory Speed Limit Software**



OPPOSE

Summary: SB 961 would require certain vehicles, commencing with the 2027 model year, to be equipped with an intelligent speed limiter, as specified, that would limit the speed of the vehicle to 10 miles per hour over the speed limit. Additionally, the bill would require heavy-duty trucks and trailers to be equipped with side guards.

Reasons for Opposition: The author suggests that SB 961 is mirroring European Union (EU) regulations require “intelligent speed assistance (ISA).” The ISA technology is NOT a speed restrictor, as proposed in SB 961. ISA uses AV technology, including cameras and GPS, to recognize clear and visible speed limit signs on the roads that, once recognized, trigger a reminder to the driver to slow down. SB 961 goes further by requiring the technology to automatically regulate the speed of the vehicle based on the posted speed limit in the area. Automatically limiting vehicle speed does not, in and of itself, improve pedestrian safety. Pedestrian safety is not necessarily improved simply because a vehicle is limited to only 10 miles above the posted speed limit. In

fact, in certain situations this could decrease driving safety for the motoring public. Increasing pedestrian safety requires a suite of solutions including, but not limited to: 1) Enforcement of speeding laws and driver education; 2) Implementation of a transportation infrastructure that supports advanced vehicle safety tech; 3) Rules to enable automated driving systems that comply with speed limits; and 4) Educational campaigns to discourage distracted driving and distracted pedestrians.

Conclusion: CNCDA applauds the author's laudable goals to improve driver and pedestrian safety in California. However, SB 961 does not achieve that purpose and could unnecessarily place motorists in dangerous situations. For the reasons stated above, CNCDA is opposed to SB 961.

3) SB 903 (Skinner): Bans Products Containing PFAS – **Oppose Unless Amended**

SB 903
(Skinner)
Bans Products
Containing
PFAS



**OPPOSE UNLESS
AMENDED**

Summary: Beginning January 1, 2030, SB 903 would ban the sale and use of products – including vehicles – that contain intentionally added per- and polyfluorinated substances (PFAS) in California. The sale of all products would be banned unless it is determined by the California Department of Toxic Substances Control (DTSC) through a petition process that the presence of PFAS is unavoidable based on the following:

1. There are no safer alternatives to PFAS that are reasonably available.
2. The function provided by PFAS in the product is necessary for the product to work.
3. Using PFAS in the product is critical for health, safety, or the functioning of society.

Reason for Opposition: PFAS are critical chemicals used in vehicles for various safety and other essential vehicle functions with no viable alternatives.

Some examples of their applications include preventing leaks and breakdowns of hydraulic systems, improving brake efficiency, sealing to protect from dust and aggressive lubricants, providing heat resistance, and increasing the safety of fuel cells and batteries in EVs. This bill would fundamentally harm California's new car dealers by banning the sale of products, including vehicles, that contain PFAS unless DTSC determines through a public petition process that the use of PFAS is unavoidable.

Conclusion: The Legislature should consider removing vehicles and vehicle parts from the provisions of this bill. Should the bill become law, SB 903 would have drastic impacts on car dealers across the state by restricting their ability to sell vehicles unless DTSC issues a favorable decision through the petition process. Moreover, given the critical function of PFAS within fuel cells and EV batteries, this bill would run counter to California's stated goals of electric vehicle sale and adoption.

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