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2021 DOC fee maximum is $303.60

The maximum amount that Illinois dealers can charge in 2021 for documentary preparation fees is $303.60, the Illinois attorney general's office announced Dec. 10.

The $3.60 increase over the 2020 maximum fee reflects a 1.2 percent rise in the federal consumer price index for the 12-month period ending Nov. 30. The index is tracked by the U.S. Department of Labor. As always, the DOC fee is taxable and must be substantiated upon request by the attorney general's office.

The CATA is developing a poster about the DOC fee that dealer members can display. On the poster, the DOC fee amount is left blank for dealers to fill in; any amount up to the maximum allowed may be charged, but all customers should be charged the same amount. Systematically charging one group but not another — all males but no females, for instance — could bring charges of profiling.

Two copies of the poster will be mailed to dealers later this month. For limited additional copies, call the CATA at (630) 495-2282.

IMPORTANT: The new maximum fee cannot be charged before Jan. 1.

CATA dues to increase in 2021

Chicago Automobile Trade Association membership dues, unchanged for nearly 20 years, increase in 2021 to $800 a year. The current rate is $400 annually.

CATA directors made the move at their November board meeting amid the uncertainty of a 2021 Chicago Auto Show and escalating costs of providing the member services to dealerships and allied companies during the pandemic.

Billings for legal services are certain to escalate in the months ahead as the association negotiates with unionized technicians on a new collective bargaining agreement to replace the one that expires next July 31. A favorable contract with unionized technicians would help all area new-car dealerships, whether or not they have Local 701 employees.

The DriveChicago.com portal — free to dealer members and only for members — sends thousands of customers each month directly to dealership vehicle detail pages. In 2021, DriveChicago's goal is to deliver 100,000 customers to CATA dealers.

In a Dec. 7 letter to all members, CATA President David Sloan noted that the benefits of a CATA membership exceed the annual dues even at $800 a year.

"The CATA board of directors has always sought to deliver benefits to members that far exceed the cost

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2020 deadline nearing for annual workplace harassment training

Illinois employers, remember that all employees must be certified by Dec. 31 each year to having received sexual harassment prevention training. Gov. J.B. Pritzker signed The Workplace Transparency Act last year after the sweeping legislation cleared both chambers of the General Assembly without opposition. By statutory mandate, the Illinois Department of Human Rights developed a training template, and a PowerPoint presentation is free at https://www2.illinois.gov/dhr/Training/Pages/State-of-Illinois-Sexual-Harassment-Prevention-Training-Model.aspx. Employees can scroll through it at their leisure, then complete and sign a certificate of completion that is on the last page of the presentation. Since there is no requirement in Illinois that the training be delivered live, or even be delivered by a qualified trainer, scrolling through the PowerPoint (or identical pdf file) actually satisfies the statutory requirement.

More businesses turning to testing their employees for COVID-19

Businesses have jumped through a lot of hoops this year in order to remain open. With coronavirus vaccines still on the near horizon, proactive companies are incorporating testing for SARS-CoV-2, the virus that causes COVID-19, into a workplace COVID-19 preparedness, response, and control plan.

Swabbing all employees, coupled with temperature checks and other safety precautions (masks, gloves) can help prevent virus outbreaks and also give peace of mind to a business's staff.

Many laboratories have sprung up to meet business demands for walk-in clinics or on-site testing to verify whether persons are COVID-19 symptomatic. The Food and Drug Administration has warned that some scammers are promoting unauthorized COVID-19 tests, so make sure to only use tests that are authorized by the FDA.

Two reputable companies operating in the Chicago area are Belle Meade AMP, (312) 420-4900, and Northshore Clinical Laboratories, (773) 217-5065. Both administer antibody tests that determine who is COVID-19 immune; those individuals would be able to continue to work without having to shut down or lock down an entire population. Results can take up to 48 hours.

For antibody testing, a health care professional takes a blood sample, usually by a finger prick or by drawing blood from a vein in the arm. Then the sample is tested to determine whether the person has antibodies against the virus. The immune system produces these antibodies — proteins that are critical for fighting and clearing out the virus.

Another test, for antigen, detects certain proteins in the virus. Using a long nasal swab to get a fluid sample, antigen tests can produce results in minutes. Because these tests are faster and less expensive than antibody tests, antigen tests may be more practical to use for large numbers of people. A positive antigen test result is considered accurate when instructions are carefully followed, but there is an increased chance of false-negative results — meaning it's possible to be infected with the virus but have a negative result.

To help employers think through the pros and cons of testing employees for COVID-19, the U.S. Centers for Disease Control and Prevention issued guidance that describes five scenarios in which testing might be effective or appropriate.

In general, employers should be strategic about testing and have a plan for what to do when results are positive, the agency advised in its guidance for testing in non-healthcare workplaces.

Testing is most appropriate in areas where there is moderate to substantial community transmission of COVID-19 and at workplaces where employees are in close contact with each other or the public, the CDC said.

Ben Shapiro, who owns a delicatessen, said some of his employees were apprehensive when he announced plans to test them. But soon, the workers realized how much they depended on one another to remain healthy.

"They became more of a team," he said.

Odometer rule changes disclosure exemption from 10 years to 20 years

Under a rule change that takes effect Jan. 1, National Highway Traffic Safety Administration odometer disclosure requirements expand from 10 years to 20 years. Now, model year 2011 vehicles will not become exempt from the requirements until Jan. 1, 2031.

The new 20-year odometer capture exemption requirements apply only to vehicles that are 2011 model year or newer. Vehicles manufactured with a 2010 model year or older remain exempt under the 10-year exemption.

This type of "rolling" exemption is best described as adding an additional model year worth of vehicles each January until the 20-year exemption is fully implemented.

The final rule amending the NHTSA's odometer disclosure requirements came in 2019.

In Memoriam

Glenn S. Muller, 57, president of Muller Acura of Merrillville, died suddenly Nov. 24.

An avid fitness enthusiast, Mr. Muller was an active participant in the local boxing community.

Survivors include a daughter, Aleksandra; his father, Michael; and brothers Scott and Mark Muller. Memorial contributions appreciated to the Wounded Warrior Project.

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What COVID has taught us about the future of auto retailing

By Peter Welch
NADA President & CEO

The coronavirus pandemic has taught everyone in and around the auto industry a number of important lessons.

One of the biggest lessons is that the business of selling and servicing cars and trucks is absolutely essential to the safety and well-being of Americans.

Our personal vehicles have proven instrumental in getting us through this pandemic. They've gotten doctors, nurses and patients to hospitals. They've gotten researchers to the lab. They've gotten our kids to schools when schools are open. And they've gotten just about all of us to the grocery store more times than any of us would care to count (or personally owned vehicles have brought the groceries to us).

As we wade through another spike in COVID cases, it is critical that policymakers everywhere remember that not every vehicle sale is a discretionary purchase. Tens of thousands of cars and trucks break down, get totaled in accidents or need to be scrapped every single day in America. Those that can't be repaired need to be replaced, so auto dealerships must be able to conduct vehicle sales in some capacity no matter how bad conditions are on the ground.

Which brings us to another lesson: Auto dealers are more willing to embrace change and disruption than most people give them credit for.

In the early days of the pandemic, dealers scrambled to create an entirely new way of doing business that was safe for their employees and customers, compliant with local health regulations, and convenient and flexible for the scores of customers that simply needed to purchase vehicles or have vehicles serviced.

I personally am so proud of the resiliency, innovation and determination that America's franchised auto dealers have shown on behalf of their brands and their customers. Dealers see these adaptations as overly positive to their operations and their customer interactions, which is why I have no doubt that this innovation and flexibility will endure long past the pandemic.

What concerns me, frankly, are the lessons that should have been learned, but that haven't been.

As part of the Summer 2020 Dealer Attitude Survey, the NADA in July asked dealers a series of questions designed to gauge dealer sentiment specifically on conducting business and operating a franchise during the ongoing COVID-19 pandemic.

We wanted to hear from the dealers themselves about what changes to auto retailing were here to stay in a post-COVID world, and about what changes needed to be accelerated to keep up with rapidly changing customer expectations. We also wanted to know what dealers believed their automakers should be focused on — and what they shouldn't — to support their dealers with this evolution.

Dealers spoke resoundingly and clearly. In fact, the NADA received more than 11,000 dealer responses from the questionnaire.

First, we asked dealers: "Which, if any, of the following business adaptations do you plan to continue post-crisis?"

Eighty-two percent of dealers said the digital sales process is here to stay; 73% said home test drives and home delivery will continue; and 65% said home pick-up and delivery for service appointments is here to stay permanently.

This doesn't mean that these digital services will work for every customer in every instance. We shouldn't think that way, because it's false.

In fact, while we know the pandemic accelerated customer adoption of a fully digital sale, we also know that many, many customers will still want to do what they've done before, which is start the sales and financing process online, but come to the store at some point to complete the transaction.

But it does mean that dealers must have the capability to make these services work for every single customer who wants to capitalize on them. And most dealers are well on their way to making their own digital retail tools second to none.

Next, we asked dealers to evaluate on a 1-10 scale the importance of six different aspects of the physical store in a post-COVID environment. The most important aspect was location and convenience for customers, scoring a 7 out of 10. In the middle of the pack fell size and capacity of their service center; co-location of sales and service facilities; on-premises customer amenities; and overall facility size.

Ranking last was OEM facility image programs.

This tells us that for most dealers and their customers, what was important as far as facilities at the start of the year has changed significantly in the intervening months.

For many dealers, factory image programs are costly and burdensome even on good days, with little evidence that they ever had a positive influence on a customer's car-buying experience.

But particularly now, as the digital retail experience evolves even further, most dealers believe OEMs need to rethink their costly and ever changing image programs to better align with the evolving consumer — a customer that places a far higher premium on flexibility and convenience than they do on rigidity and opulence.

COVID-19 to remain X factor in 2021 auto retailing, experts say

Despite promising news about effective vaccines in the pipeline, 2021 is still going to be all about the ongoing COVID-19 pandemic and its equally continuing effects on the U.S. economy in general, and the U.S. auto industry in particular.

The 50,000-foot. view on the economy, consumers and auto sales is what TrueCar's ALG subsidiary calls a two-tier, "K-shaped" recovery in 2021 from business shutdowns in the spring of 2020.

In a K-shaped recovery, higher-income households who can afford new and nearly new vehicles continue to prosper, relatively speaking. That's the upper-right leg of the "K," according to Morgan Hansen, ALG vice president-data science.

ALG believes that's the most likely scenario, as opposed to a quick and uncomplicated "V-shaped" recovery; a more prolonged "U-shaped" recovery; or an up-and-down "W."

In total, ALG's latest full-year sales forecast is 14.5 million for 2020 U.S. new light vehicles. That's a big improvement over ALG's forecast of only 13.2 million last spring, but obviously still well below the 2019 total of 17.1 million, and short of ALG's pre-pandemic forecast for 2020 of 16.9 million. ALG's forecast for 2021 is 15.5 million.

The news isn't all bad, because new and nearly new vehicles and the "resilient" consumers who buy them are the prime target for most of the franchised, new-car dealership world, and that world probably will continue feeling relatively secure economically in 2021, Hansen said in a November webinar.

"They've been the folks that have been moved to having their lifestyle impacted, not their livelihood," by the pandemic, Hansen said. "And so that's why we really believe that we've seen this continued growth and acceleration of the auto market, and that people are out there buying, because they can."

Haves and have-nots

Tyson Jominy, J.D. Power vice president-data and analytics, said last summer during a webinar that, in retrospect, automakers overdid it with incentives in the spring, including zero-interest long-term loans on full-size trucks.

According to analysts, rather than use the high level of incentives to save money, many buyers simply bought more truck than they would have bought otherwise.

Low-income households are bearing the brunt of coronavirus-related job losses, said ALG's Hansen.

Those households, and the vehicles they buy, are on the slower-recovering, lower-right leg of the K-shaped recovery. High average transaction prices for new and nearly new vehicles are driving those customers to older used vehicles, or out of the market entirely, he said.

"Unfortunately, there are going to be a lot of people who are impacted with COVID, obviously, and we don't want to diminish that," Hansen said. "We do have some bifurcation; there are going to be some haves and have-nots."

In automotive terms, he said the "haves" include pickup trucks, late-model used-car values and niche luxury brands such as Tesla. "Have-nots" include airport rental fleets, sedans, commuter cars whose chief virtue is fuel efficiency and brick-and-mortar dealerships that are not equipped for remote, digital sales or other innovative purchase options.

Charlie Chesbrough, senior economist for Cox Automotive, said separately that the pandemic and the economy could get worse before they get better.

"If you thought you could put away the hand sanitizer, I suggest it's time to get all that out and get ready for the second wave," Chesbrough said in remarks directed at dealerships during a November webinar.

"The danger here is whether it's going to overwhelm the hospitals. The good outcomes we've been having are not because coronavirus is any less deadly, but because hospitals have been able to treat it well," he said. "Now, the concern is, particularly in the middle of the (U.S.) map, of state hospitals getting overwhelmed, and they can't give all the patients all they need."

Dues

Continued from Page 1

of membership, and it is the CATA's promise to continue to deliver on that pledge," Sloan wrote.

The CATA will be closed Dec. 24-25 for the Christmas holiday.

Form 8300 notices due Jan. 31

As a reminder, dealers by Jan. 31 must contact any purchaser for whom they were required to file a Form 8300 (Cash Reporting) in 2020, and tell them that the form has been filed with the Internal Revenue Service.

Potential language of the written statement:

"Dear Customer:

We are required by the Internal Revenue Service to report transactions involving more than $10,000 in cash and "cash equivalents," under the provisions of 25 U.S.C. 60501. We have filed a Form 8300 with the IRS on (month, day, 2020), indicating that you provided us with (dollar amount) in connection with the purchase of your (year, make, model). We wanted you to know that we have complied with this federal reporting requirement. Again, we thank you for your patronage."

Businesses have the option of filing Form 8300 electronically. For details, see https://bsaefiling.fincen.treas.gov/main.html. Dealerships should make sure they are using the most recent Form 8300, revised in August 2014.