

Auto Dealers of Michigan, LLC

SPRING 2023 UPDATE FROM LEGISLATIVE DIRECTOR KURT BERRYMAN

It is an age-old adage, but elections really do have consequences. And things have sure changed in Michigan since last year's election! Democrats now control the Michigan House and Senate - for the first time in more than 40 years. In addition, the top offices of Governor, Attorney General and Secretary of State are all held by democrats. **A tsunami of change has certainly rolled down Michigan Avenue and into the state Capitol.**

2022 IN REVIEW. 2022 ended well for our efforts in Lansing. Senate Bill 1064, sponsored by Senator Aric Nesbitt and supported by the ADM LLC, made it to the Governor's desk, becoming Public Act 224 of 2022. This comprehensive legislation added more than a dozen changes to the Motor Vehicle Code directly impacting dealers. Key provisions included a requirement that MDOS give a dealer notice before beginning an inspection or audit and notifying dealers of consumer complaints. In addition, key changes were made in allowing dealers more time for in-transit transactions and other titling processes.

The ADM also pushed legislation exempting manufacturer auto rebates from the state's sales tax. While this legislation did not become law it was passed with bi-partisan support through both the house and senate. Opposition from the Michigan Treasury Department and cost concerns expressed by the Governor stalled the bill late in the year. Senator John Damoose plans to introduce the legislation again this session.

2023 OFF TO A FAST PACE. Democrats have wasted no time in pushing through their new agenda. Since January they have already passed a repeal of prevailing wage and a repeal of Michigan's "Right to Work" laws. They have tackled key parts of their agenda with blazing speed.

Of particular concern are efforts in both the House and Senate to repeal Michigan's 70 year old law prohibiting "Sunday auto sales" in counties over 130,000 people. The ADM is meeting with key legislators about this topic.

The ADM has legislation already moving this session to address a Department of Treasury Use Tax audit situation directly impacting dealers. SB 326, sponsored by Senator Sam Singh, has passed the Michigan Senate and been sent to the House for consideration. This legislation addresses recent audit interpretations by Treasury and will ensure that vehicles a dealer purchases for resale-inventory remain exempt from the state's use tax. Without passage of this legislation, future use tax audits on dealerships could be burdensome and costly!

CONSEQUENCES. Back to election consequences. They can be good and bad. The 2022 election brought monumental change. Change that has made Lansing a very different place than it has been the past 30 years. New term limit laws mean **most of the officials elected in 2022 can now serve 12 years in their current position.** Our reaction to this change will determine how the consequences impact dealership businesses.

It is more important than it has ever been to be active participants in the political process and the policy being made in Lansing. **ENGAGE.** Engage locally - meet your new State Representatives and Senators. Make the effort - create one dealer voice in Lansing by contributing to MADPAC. Consider increasing your annual contribution. Navigating a changing Lansing will require a strong dealer commitment. MADPAC allows us to support legislators and other policy makers who support dealers and dealer businesses - no matter what "party" they come from.

The ADM LLC will continue to strongly advocate on behalf of all MADA dealer members.

*WE ARE SEEING MORE REGULATORY
PIECES OF LEGISLATION AND CONSUMER
PROTECTION BILLS DIRECTLY IMPACTING
DEALERS THAN WE HAVE IN PAST
LEGISLATIVE SESSIONS.*