



Important Update That Further Clarifies the Status of Motorcycle Dealers in Governor Newsom's *Stay at Home* Executive Order as "Essential Businesses"

The CMDA Headquarters has received quite a few questions regarding if California motorcycle dealers are considered like auto dealers regarding their status as "Essential Businesses", therefore legally can remain open for, at least, parts sales and service/repair work.

A "one size fits all answer" was complicated by the fact that cities and counties, even groups of counties, were issuing similar but often confusing orders with incomplete, or conflicting, rules regarding the status of motorcycle dealers to be able to remain open for limited operations.

Finally, on March 19, Governor Newsom issued Executive Order N-33-20 that requires California residents to "stay at home" unless they leave for an approved reasons and to maintain the continuity of certain federally-described "critical operations"

California's statewide Order incorporates federal guidance to determine whether a specific business or industry should close. This guidance states that "automotive repair and maintenance facilities" are critical. Similar language in the Shelter-In-Place Orders of several counties identify automotive-supply and automotive-repair as "Essential Businesses."

Further, California Business and Professions Code § 9880.1 defines an "automotive repair dealer" as "a person who, for compensation, engages in the business of repairing or diagnosing malfunctions of

This update categorically clarifies whether motorcycle dealers are treated like auto repair dealers when it comes for them to be classified as "Essential Businesses. We also, once again, urge you to contact your local municipal licensing agency or department to confirm that you may stay open for, at least, parts sales and service work. This is because of the overlay of different conditions among state, city and county municipalities.

motor vehicles."

And further defines a "motor vehicle" as "a passenger vehicle required to be registered with the Department of Motor Vehicles and all

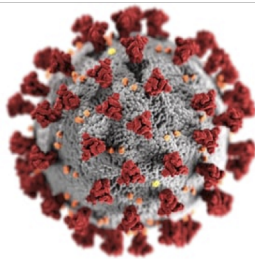
motorcycles whether or not required to be registered by the Department of Motor Vehicles."

Based on this definition, the parts and service departments of automotive dealers (including motorcycle dealers), and independent automotive repair/maintenance shops, would be considered "automotive repair and maintenance facilities" under the statewide Order and may remain open as a critical infrastructure business.

Note that the statewide Order does not include "automotive sales," but the Los Angeles City Order and the Sacramento Order both expressly identify Automobile sales/dealerships as "essential businesses."

Thus, in areas covered by those Orders the sales/finance departments of automobile dealerships also may remain open.

Dealerships outside of these areas are encouraged to contact competent legal counsel, and local business licensing agencies and departments, with questions about their sales/finance departments remaining open. ♦



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