



April 24, 2020

Greetings from VADA,

As you prepare for the weekend, please take a moment to read VADA's letter to Governor Ralph Northam, requesting he remove the 10-patron limitation on sales departments considering recent federal guidance. See how the Governor extended DMV closures and continued the suspension of enforcement of motor vehicle safety inspections. Review how the Virginia General Assembly addressed Governor Northam's amendments to the state budget and legislation increasing the minimum wage. Watch a WAVY News 10 segment, showcasing the steps Priority Automotive in Chesapeake is taking to do business while protecting employees and customers. And read what the U.S. House of Representatives did with \$484 billion legislation to provide more funding for the Paycheck Protection Program (PPP).

### **VADA sends letter to Governor Northam requesting automotive sales be deemed "essential."**

Dealership service and sales departments remain open and safe. Unfortunately — and understandably — consumers are fearful of going anywhere these days, which has caused a significant drop in revenue for most of the state's franchised auto dealerships. As an industry, we must do our part to reaffirm to all Virginians that servicing and buying cars is a safe process, and that we are adhering to all federal health and safety guidelines.

As you read [Monday](#) (April 20), the U.S. Department of Homeland Security (DHS) Cybersecurity & Infrastructure Security Agency (CISA) modified its list of essential critical infrastructure workers to include those "*critical to the manufacturing, distribution, sales, rental, leasing, repair, and maintenance of vehicles . . .*" (emphasis added). Previous guidance omitted auto salespersons, drawing the same sort of distinction between sales and service seen in Governor Northam's Executive Order 53. The Order permits sales departments to remain open with significant stipulations such as the 10-patron limit.

While the CISA list is advisory — it's for states to decide what workers and businesses are and are not essential — we referenced this new information in a letter to Governor Northam yesterday. In that letter, we respectfully requested the Governor add "automotive sales" to his list of essential retail businesses in Executive Order 53, or otherwise remove the 10-patron limit on automotive sales departments, consistent with the federal guidance. We hope this will encourage the Governor to let Virginians know dealers are open for business, are going above and beyond to meet safety requirements, and are ready to serve. Read [the letter](#).

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### **Governor extends DMV closures, continues suspended enforcement of motor vehicle safety inspections.**

On March 17, 2020, Governor Northam issued Executive Directive Seven, closing all 75 DMV Customer Service Centers (CSCs) in the Commonwealth — including DMV's Military Circle Dealer Center in Hampton Roads — and suspending DMV 2 Go and DMV Connect locations statewide.

The Governor's [Amended Executive Directive Seven](#), signed yesterday, extends those closures until May 11, 2020, with online and mail services remaining available. DMVs are expected to reopen to the public with limited operations on May 11, 2020.

Amended Executive Directive Seven also extends the validity of every driver, vehicle, and special identification credential set to expire on or before June 10, 2020 for up to 90 days but not beyond July 31, 2020. [DMV's coronavirus webpage](#) provides a breakdown of the changes.

Also yesterday, the Governor issued [Amended Executive Directive Eight](#). The measure requires Virginia State Police to, among other tasks, continue its suspension of the enforcement of motor vehicle safety inspections.

You can read the [Governor's corresponding press release](#) for more information. Keep up with Virginia executive action at our [Coronavirus \(COVID-19\) Resource Center](#) under "Virginia Legislation and Regulation."

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**Virginia General Assembly agrees with Governor's ideas for budget, delays increase to state's minimum wage during atypical reconvened session. SESCO provides a summary on the minimum wage bill.**

The Virginia General Assembly met Wednesday (April 22) in Richmond to address bills vetoed or amended by Governor Northam following the legislature's 2020 Regular Session. As we noted in our [April 22 report](#), the two bodies typically conduct business just 135 feet apart in the Virginia State Capitol. But the spread of COVID-19 and emphasis on social distancing required more spacious accommodations to safely conduct business. As such, the Senate reconvened at the Science Museum of Virginia, 2.5 miles away from where the House of Delegates met *outside*, underneath a tent on Capitol Square.

Among the most pressing issues were the Governor's amendments to the budget, a \$135 billion spending blueprint that likely needed modification given the pandemic's impact on Virginia. An *Associated Press* [article](#) quotes House Appropriations Chairman Del. Luke Torian (D-Manassas): "In a crisis of this magnitude, sacrifices must be made." Accordingly, Senators and Delegates approved the Governor's amendments to delay increased spending plans. Specifically, the *Associated Press* article notes, "[l]awmakers . . . voted with Northam to push back decisions on whether to give teachers and state workers raises, freeze in-state college tuition, and implement other new spending [in the budget]."

Another major topic was whether to delay an increase to the state's minimum wage. The Governor's amendment to the pertinent legislation would mean an increase from \$7.25 to \$9.50 per hour May 1 rather than January 1 of next year. The General Assembly agreed to that, too. See [SESCO's summary](#) of what the minimum wage legislation and delayed increase mean for your business.

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**WAVY News 10 highlights Priority Automotive, as Dennis Ellmer and his team do their part to serve employees and customers during a pandemic.**

Gloves, masks, and plexiglass are among measures Priority Automotive in Chesapeake is taking to protect dealership personnel and customers. As the battle against the spread of COVID-19 continues, WAVY News 10 highlights Priority's modified business practices designed to encourage health and safety and meet customer needs during the crisis. See the [video](#).

"Scattered throughout the dealership, there are signs on the floor and on cars encouraging social distancing," says WAVY News 10 reporter Madison Glassman. "If you need maintenance," she adds, "you have the option to request services through a drop box," where customers can leave their keys and minimize human contact.

"We're just going to things, doing things we never thought we would have to do," says Priority Auto Group President and Owner Dennis Ellmer. We know the same is true for other VADA members. We thank and applaud Dennis and his team at Priority, plus all those dealers doing everything they can to provide for employees and customers during this difficult time. Keep up the good work!

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**U.S. House passed bill to add more PPP funding. The SBA updates its PPP FAQs.**

Yesterday evening (April 23), the U.S. House of Representatives passed \$484 billion legislation to provide additional funding for the PPP. The U.S. Senate approved the same measure earlier this week.

In late March, Congress appropriated \$349 billion for the PPP as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, hoping to aid small and mid-sized business operations and encourage employee retention during the pandemic. But we reached that initial \$349 billion limit last week, after more than 1.6 million businesses obtained financial relief through the program.

Of the \$484 billion in the new legislation, \$321 billion is for the PPP, says [Politico](#). Other funds are set for economic disaster loans, hospitals, and COVID-19 testing. President Donald Trump is expected to approve the measure.

And perhaps even more help is on the way for American businesses. “Lawmakers from both parties are already talking about pursuing more large spending bills to try to contain the pandemic’s economic fallout,” Erica Werner writes in a [Washington Post article](#). But, she adds, “the measure Thursday [April 24] could be the last one for at least several weeks as divisions emerge between the parties about how much more to do.”

Relatedly, the U.S. Small Business Administration (SBA) modified its PPP FAQs, adding Question 31 about whether businesses owned by large companies with adequate sources of liquidity to continue operations qualify for a PPP loan. We’ll keep you posted as we learn additional information. See the [FAQs](#) and the [SBA’s PPP webpage](#) for more.

Have a great weekend. More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,



Donald L. Hall  
President and CEO