



January
2022

Industry Update

*News and Information for
Northwest Automotive Trade Association
Members*



Executive director message

Happy new year!

A couple weeks ago one we received a call from a member, someone who has been a member of NATA for 21 years!

He was extremely displeased that NATA “supported” Oregon’s new lien law. I am very happy he called. As a result of his call, I’d like to share with you some background on this new law.



Under the law passed last year, as of January 1, 2022, auto repair shops and collision shops must have a surety bond or an irrevocable letter of credit in the amount of \$20,000 filed with DMV before they can apply for a mechanic’s lien. This is designed to protect vehicle owners in case a mechanic’s lien is found to be invalid.

As with many bills introduced each year, bills are created and laws are passed in response to a few bad players. When this bill was initially introduced, it proposed licensing ALL auto repair shops. Thereafter this bill went through multiple iterations

before being accepted by all involved parties. This was the best compromise NATA, with the help of our lobbyist, Darrell Fuller, was able to achieve on behalf of our members. Are we happy with this? No. This bill applies to independent shops and collision repair shops. These businesses will only use the lien process perhaps once in a year. A shop will now spend an estimated \$300 on a bond, plus the lien expenses, in order to gain title to and sell the vehicle and hopefully recover the cost of the unpaid repair. Will this fix the problem? Probably not. Truly bad actors will act badly regardless of legislation.

I want to thank the member for phoning us. We need to hear from our members....not just when you are angry at us, but also let us know what we can do to offer support, offer ideas, kudos, etc.

I wish you all a healthy and prosperous 2022!

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Margaret Ragan, Executive Director

Time to prepare 1099s for subcontractors

W-9s and 1099s are tax forms that businesses need when working with independent contractors. [Form W-9](#) is what an independent contractor fills out and provides to the employer. [Form 1099](#) is prepared by the employer and has details on the wages an employer pays to an independent contractor. The 1099 is provided to the subcontractor and filed with the IRS and in some cases the state government.

If you paid \$600 or more to a subcontractor last year, you need to file a 1099. General partnerships, limited partnerships, limited liability companies and sole proprietorships — all require Form 1099 issuance and reporting.

Due Date to Recipient: January 31

Due Date to IRS: February 28 (or March 31 if e-filing)

Your accountant or payroll provider can help you prepare these forms. Alternately, a simple inexpensive online tool can be found at <https://www.track1099.com/>

Your support is needed for veterans group

Local veterans need your help! Please support this important fund-raiser!

"Saluting Our Veterans" still has 2022 calendars available, and this is an important fund-raiser for this great organization.



NATA and many of our members have over the years supported the groups annual car show, and like that event, calendar sales help raise funds to help local homeless veterans.

Calendars are \$20, or \$15 each if you purchase two or more. Please [click here](#) to buy some calendars to support this organization helping our veterans in need.

How shops can attract more technicians

WrenchWay will offer a free webinar this month to show "How shops can actually attract more technicians in 2022."



Shops and dealerships know they should be doing more to attract technicians, yet very few are actually doing something about it.

Job boards are great, but if your recruiting strategy begins and ends there, you're missing out on an estimated 75% of technicians that are open to new opportunities, but not actively looking at job boards.

This webinar will discuss how shops can make 2022 the year they actually attract more technicians. It will also cover:

- How recruiting can be improved by dedicating 15 minutes a week
- The importance of finding a champion to "own" recruiting
- How shops can build their employer brand
- The growing importance of using video to recruit technicians

This webinar will be held at 11 a.m. on January 18. It is free to attend, but you must register. [Click here](#) to register.

SCRS 'Quick Tips' video on core charges

Core return programs are mechanisms that OEMs use to recover some used, damaged or recyclable parts from the market. Core returns have a value, and manufacturers often have a defined return process and associated core charge that is used as a deposit on the recyclable auto part. The core charge is paid when the new part is purchased, and refunded when the old part is returned to the seller. In collision replacement parts, this is common on bumpers, headlamps and tail lamps, batteries, wheels and more.



But what happens when there is no part to return? What if the vehicle came in without a lamp or a bumper because they were lost at the scene of the accident?

In the latest ["Quick Tips" video](#) from the Society of Collision Repair Specialists, Danny Gredinberg of the Database Enhancement Gateway (DEG) talks to Mike

Anderson of Collision Advice about how to identify core charges in the estimating system, and if there is going to be a core charge associated with the replacement part, when you might need to notify the bill-payer on the existence of a charge. The pair further discuss utilization of line notes, and how to integrate into the parts mirror matching process.

Schools have job openings

Central Oregon Community College has an opening for a full-time Assistant Professor of Automotive.

The position includes instruction to students in the Automotive Technology program, development of curriculum, assessing student learning, and providing student advising. This position will be a part of team teaching in a self-paced learning environment and will provide individual conference

time to guide and evaluate student progress. For further information and to

apply: <https://jobs.cocc.edu/postings/6916>. If you have questions, please contact COCC at 541-383-7216 or MyHR@cocc.edu.



Mt. Hood Community College in Gresham has a opening for a part-time automotive tool room attendant. An hourly position, the attendant provides customer service and assistance to students and faculty accessing the tool room. [Click here](#) for more information, or contact Jerry Lyons at jerry.lyons@mhcc.edu or (503) 491-7203.

Also not yet posted is part-time automotive instructor position at Mt. Hood Community College; again, email or call Jerry Lyons for details.

Gresham High School has posted a position with an immediate opening for an automotive instructor. This program has a beautiful new shop with a lot of money into new equipment. [Click here](#) to review the job posting. If you have questions, you can contact the current instructor, Mike Ruff (ruff@gresham.k12.or.us).

Total loss admin fees increasingly common

Insurance company direct repair agreements often prohibit participating body shops from charging administrative fees related to processing of total losses. But the percentage of

U.S. shops overall saying they are paid such an administrative fee has risen steadily over the past several years, according to the findings of the [“Who Pays for What?”](#) survey series.



In 2021, a strong majority of shops (72 percent) said they are paid always, or most of the time, when they bill for this work. By comparison, when the “Who Pays for

What?” surveys began in 2015, just 46 percent of shops said they were regularly paid a total loss administrative fee when they invoiced for it.

Likewise, the percentage of shops that say they have never billed for this fee also has declined steadily since 2015. Today, only 11 percent of shops say they never charge a fee to process a total loss, but back in 2015, that figure was 30 percent.

“Processing a total loss has become more complex than it used to be,” said Mike Anderson of Collision Advice, who conducts the quarterly “Who Pays” surveys in conjunction with *CRASH Network*. “It can involve more tear-down, more research of OEM procedures, vehicle scans and more.”

According to the 2021 survey, 74 percent of shops itemize charges (as opposed to charging a flat fee) for total loss processing. In addition to the administrative time, these charges may include moving a non-drivable vehicle, covering the vehicle to protect it from weather, etc.

Back in 2015, 38 percent of shops believed that the top eight largest insurers in the “Who Pays” surveys “never” paid an administrative fee for total losses. Today, only 17 percent still think so.

The latest quarterly “Who Pays for What?” survey is now open through the month of January. It focuses on “not-included” refinish labor operations. Shops can [click here](#) to take the survey.

Survey participants receive a free report with complete survey findings along with analysis and resources to help shops better understand and use the information presented.

Anderson said the survey, which will take about 15 minutes, can be completed by anyone in a shop familiar with the shop's billing practices and the payment practices of at least some of the largest national insurers. Each shop's individual responses are held in the strictest confidence; only aggregated data is released.

Oregon agencies offer business training

Three Oregon agencies offer regular training for companies within the state.

The Oregon Bureau of Labor and Industry (BOLI) offers training seminars on such topics as wage and hour laws, discipline and discharge, and the latest developments in employment law. Details are available by [clicking here](#).

The Oregon Department of Environmental Quality invites businesses that handle hazardous waste to sign up for a class covering basic management of such waste. Registration is free but on a first-come, first-



served basis. [Click here](#) for more details.

The Oregon Occupational Safety and Health Administration (OSHA) offers classroom workshops and online training on such topics as hazard communications, safety meetings, lockout/tagout, personal protective equipment, etc. [Click here](#) for current class description and schedule, call (888) 292-5247 (option 2) or send an email to ed.web@oregon.gov.

EDUCATION

BENEFITS

CONSUMER INFO

SHOP HELP

INSURANCE

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