



## **BULLETIN #82/2020 JUNE 5, 2020**

### **\_CORONAVIRUS UPDATE #68**

**REMINDER: GOV. BAKER TO ANNOUNCE PHASE TWO RE-OPENING  
PLANS ON SATURDAY, JUNE 6**

**PRES. TRUMP SIGNS CHANGES TO PPP LOAN LAW**

**UNEMPLOYMENT INSURANCE FRAUD REMINDER**

**“TRENDS FAVORABLE AHEAD OF RE-OPENING ANNOUNCEMENT”**

**NADA COVID-19 RESOURCES**

**NADA DEALERSHIP LIFELINE WEBINARS FOR NEXT WEEK**

**MASSACHUSETTS COVID-19 DAILY TRACKER**

*[This bulletin supplements our previous bulletins #11 and #16 through #81 on this subject matter. These bulletins are intended to be cumulative so we can avoid repeating the same information.]*

#### **Gov. Baker Announcement on June 6 on Phase Two Re-Opening Plans**

Earlier this week Gov. Charlie Baker set Saturday, June 6, as the date on which he will make an announcement regarding the state's phase two for re-opening the economy. As part of this week's announcement, the governor issued details on what retailers are expected to follow once stores are allowed to re-open in phase two regarding safety standards, including social distancing, hygiene protocols, staffing and operations, and cleaning and disinfecting. The governor indicated on Monday the earliest that phase two could commence is Monday, June 8.

Please refer to MSADA Bulletins #78 (6/1/20) and #79 (6/2/20) for this information, especially what dealers will need to comply with for opening showrooms.

The governor has NOT set the time at which he will make his expected announcement tomorrow, nor, at this time, has the administration preliminarily released (e.g. leaked) information regarding the announcement's content.

We will report details of the governor's announcement once we have them.

#### **Trump Signs Law Amending PPP Rules**

This morning President Donald Trump [signed into law the Paycheck Protection Program Flexibility Act](#) (PPFPA) to address the small business concerns in the Paycheck Protection Program (PPP). The modifications to the PPP are important to dealers who have applied



Program (PPP). The modifications to the PPP are important to dealers who have applied for and received PPP loans and intend to have their loan proceeds forgiven.

[NADA's forgiveness analysis](#) lists the PPPFA's modifications and reviews important issues involving PPP loan proceeds use and forgiveness in light of (1) those modifications and (2) the guidance and forgiveness application materials issued to date by the Small Business Administration and the Treasury Department. Before applying for forgiveness, dealers with PPP loans should contact their legal and accounting experts on how these new modifications will apply. Dealers should also contact their lenders with specific questions.

Also see [NADA's CARES Act FAQs](#), which have been updated to include provisions in the new law.

*Note:* On Tuesday, June 9, NADA will hold an important Dealership Lifeline webinar on the impact this new law will have on the use and forgiveness of loan proceeds. See below to register.

Please reference MSADA Bulletins #76 (6/5/20) and #81 (6/4/20) for details to the PPP law changes.

### **Reminder on Unemployment Insurance Fraud**

As dealers attempt to bring back laid-off or furloughed employees to work at the dealership, especially if the dealer received loan funds under the Paycheck Protection Program, one response from the potential re-hired is that he/she wishes to remain unemployed because he/she can earn more money under state and federal unemployment insurance payments.

To address this issue, here is an excerpt from our *May Auto Dealer* magazine's Legal column, authored by Fisher Phillips attorneys Joe Ambash and Jeff Fritz. It includes a link where an employer can report such an individual refusing to return to work, thereby potentially ending his/her ride on the UI dole:

“Making More Money through Unemployment.” This appears to be a fairly common and understandable dynamic these days. Why would any rational individual want to return to work when they can earn more money staying home? Unfortunately for the employee, however, that is not a legitimate reason for refusing to return to work. If the employer has work for the employee to do but the employee refuses to return to work, the employee is no longer eligible for unemployment (and, accordingly, continuing to collect would amount to fraud). The employee's only legitimate options are to (1) return to work, or (2) voluntarily quit their job (or have their employment terminated for job abandonment). Either way, he/she would no longer be eligible to collect unemployment. **As an employer, you have the right to inform the Department of Unemployment Assistance if you suspect employees are fraudulently receiving unemployment even though you have asked them to return to work. To report suspected fraud, you can email [UIFraud@MassMail.State.Ma.Us](mailto:UIFraud@MassMail.State.Ma.Us) or click [here](#).”**



## Trends Favorable Ahead of Reopening Announcement – Baker: Good to See People Getting Back to Work

[Courtesy *State House News Service*]

The day before Gov. Charlie Baker is set to announce when Massachusetts will advance to the next level of a gradual economic reopening plan, state health officials newly reported a "positive trend" in a third of the six metrics they're monitoring to gauge progress against COVID-19.

The Department of Public Health's [Friday afternoon report](#) for the first time moved the number of COVID-19 hospitalizations into "positive trend" status, a categorization the DPH had already bestowed on testing capacity and the rate of tests that come back positive. Health care system readiness, contact tracing capabilities and the number of COVID-19 deaths all remain classified as "in progress."

There are now 1,533 patients hospitalized for COVID-19 across Massachusetts, less than half of the number from a month ago, according to the DPH. Gov. Baker said Friday that hospitalizations are "down dramatically" from mid-April, when cases of the respiratory disease surged.

"Across a number of key indices we've been seeing positive trends for the past several weeks and making the right kind of progress," he said.

The earliest elements of the Baker administration's four-phase plan to restart an economy shut down out of concern for public health began on May 18, and some activities have slowly started to resume, with new restrictions in place.

"Frankly, it's been good to see people have an opportunity to get back to work, either remotely or back at the place that they used to call their office, and it's been especially encouraging to see families visit with parents and grandparents at many of our long-term care facilities," Baker said.

Baker on Saturday plans to announce when the second phase of the recovery plan can begin. The earliest it could happen is Monday, and Baker said Friday that the decision will be "based on the data."

The governor said it will still be at least a couple weeks before it becomes clear how the large demonstrations this week, held to protest racism, police brutality and the death of George Floyd, affected the spread of the coronavirus.

After holding a call on Thursday with members of the Black and Latino Legislative Caucus, Baker said he expects to provide more details next week about specific proposals to "dramatically improve transparency in law enforcement."

Baker spoke after touring Cambridge's LabCentral, a launchpad for biotech and life sciences startups.

Companies in the shared lab space are working on testing solutions, immunotherapies and



vaccines to help fight COVID-19 and have adapted their practices to the new realities of the pandemic, Baker said. They have encouraged working from home, staggered shifts, implemented new protocols on social distancing and hygiene, and reconfigured work areas.

Baker said LabCentral and its member companies are providing a "great example of how this can be done responsibly."

Johannes Fruehauf, LabCentral's president and co-founder, said the member companies have attracted nearly \$500 million in venture capital since March 10, the day Baker declared a public health emergency.

"I think we know that this is a science challenge that only science can solve, and Boston and Massachusetts and this community around us here is well-placed to develop the necessary answers," Fruehauf said.

Pharmaceutical research and development operations were permitted to stay open when the Baker administration ordered widespread business closures in March.

When the first phase of the reopening plan launched, a limited number of businesses -- including hair salons, pet groomers, and car washes -- were able to open their doors, and retail shops were authorized to conduct sales via curbside pickup.

When Phase 2 begins, restaurants will be able to serve diners outdoors and retailers can allow customers back inside for browsing, with capacity limits and other precautions in place.

Phase 2 will also bring with it new recreational opportunities. Public and semi-public outdoor [pools](#) will be allowed to open, while hot tubs and whirlpools must stay closed and indoor pools can only reopen for supervised youth sports leagues and youth summer sports camps.

Playgrounds, spray decks, and outdoor fitness areas will also be able to reopen, Lt. Gov. Karyn Polito said, provided they adhere to new [state guidance](#).

Baker addressed some of the hardships faced by retailers so far, in response to a reporter's question about looting and property damage that occurred in downtown Boston Sunday night after an earlier protest march.

"Small businesses especially, and retailers on Main Street more so than anybody else has suffered a terrible blow as a result of this pandemic and a lot of the decisions that we made to slow the spread of the virus," he said. "And to add insult to injury by having so many of them be the victims of what happened on Sunday night, sent a very significant and important message to all of us about how important it would be for us to make sure that main streets and small businesses and local communities were protected and that the people who marched and demonstrated -- who were doing so as I've said over and over again peacefully -- would be able to do that without worrying about any violence breaking out, and since then, that's pretty much been the case."



## **NADA Dealership Lifeline Webinar Series for Next Week**

NADA will conduct the following webinars next week:

- **Tuesday, June 9, 1pm-2pm ET:** [\*PPP Flexibility Act of 2020: Impact on the Use and Forgiveness of Loan Proceeds\*](#). NADA's Andy Koblenz and Doug Greenhaus will review the PPP Flexibility Act, including key rules and guidance from the SBA and Treasury, with a special focus on loan forgiveness application materials.
- **Wednesday, June 10, 1pm-2pm ET:** [\*The Bridge to the Future of Automotive Retail\*](#). Dealer Rick Ricart, an early pioneer in remote selling, and Joe St. John, head of digital retail at AutoFi, will break down how dealers can respond to the current market conditions to thrive with digital sales and financing.
- **Friday, June 12, 1pm-2pm ET:** [\*The Best Ideas from NADA 20 Groups, Part 7: In Times of COVID-19 Pandemic\*](#). Tom Carny, NADA 20 Group consultant, will review new best ideas NADA 20 Groups have shared during these unprecedented times.

Recordings of [all webinars in NADA's Lifeline Series](#) are available to NADA and ATD members 24/7, free of charge. Click [here](#).

## **NADA COVID-19 Resources for Dealers**

NADA has produced a tremendous amount of resources to help dealers and their operations during the Coronavirus pandemic. A prolific source of information has been the NADA regulatory affairs team, by way of guidance, analysis, interpretation and explanation. The regulatory affairs group has recently worked with the NADA public affairs team to reorganize all of the regulatory compliance materials on the NADA Coronavirus Hub. The trove of materials is now organized by "Information" and by "Key Documents." Hot links lead you to every individual item/resource. The site and the links will be updated continuously. Bookmark the address, and click on the links as you need them for the latest versions of everything, such as CARES Act, SBA, PPP, Tax Relief, and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

## **Daily Massachusetts COVID-19 Tracker**

The state's COVID-19 Dashboard with up-to-the-date data can be found [here](#).