



**State of Louisiana**  
LOUISIANA MOTOR VEHICLE COMMISSION

John Bel Edwards  
Governor

Lessie A. House  
Executive Director

June 5, 2019

**Bulletin #B-2019-001**

**TO:** All Vehicle Dealers  
**FROM:** L. A. House, Executive Director  
**RE:** Advertising of the word "Free"

The Louisiana Motor Vehicle Commission ("LMVC") at its meeting considered the use of the word "Free" in advertising. The LMVC directed staff to advise all vehicle dealer licensees that the current LMVC rule is inconsistent with the FTC Rule and to be advised the FTC rule prevails and is to be followed accordingly.

- ▶ According to Federal Trade Commission, Title 16 Chapter 1 Subchapter B Part 251.1 (g) *"Negotiated sales. If a product or service usually is sold at a price arrived at through bargaining, rather than at a regular price, it is improper to represent that another product or service is being offered "Free" with the sales. The same representation is also improper where there may be a regular price, but where other material factors such as quantity, or size are arrived at through bargaining."*
- ▶ Whereas, Louisiana Motor Vehicle Commission rule, Louisiana Administrative Code Title 46. Part V. Subpart 1. Chapter 7. Advertising. §733. A. provides: *"No merchandise or enticement may be described as "free" if the vehicle can be purchased or leased for a lesser price without the merchandise or enticement or if the price of the vehicle has been increased to cover the cost or any part of the cost of the merchandise or enticement. The advertisement shall clearly and conspicuously disclose the conditions under which the "free" offer may be obtained."*

The LMVC will undertake to modify its existing Rule.