



**THE LOUISIANA MOTOR VEHICLE COMMISSION
RULES AND REGULATIONS
(R.S. 32: 1253(E))**

The Louisiana Motor Vehicle Commission, at its regular meeting held at its executive offices, 234 Loyola Avenue, New Orleans, Louisiana, on the First day of July, 1957, on motion duly made, seconded and unanimously approved, adopted rules and regulations under and pursuant to the authority vested in said Commission by Louisiana Revised Statutes 32:1253(E). Subsequently, under and pursuant to this same authority on October 11, 1960 and on March 18, 1962 and on October 8, 1963 and on April 13, 1964 and on June 8, 1965 and on November 9, 1965 and on June 14, 1966 and on March 26, 1968 and on June 6, 1974 and on June 9, 1975, and on August 20, 1983, and on May 20, 1985 additions and revisions to these rules and regulations were adopted and made a part hereof.

Section 1. No one (not excepted by R.S. 32:1252(3)) shall engage in business in the capacity of motor vehicle dealer or motor vehicle salesman, or manufacturer, distributor or wholesaler of motor vehicles, or factory branch, distributor branch or factory representative or distributor representative, in Louisiana without first obtaining a license for the particular capacity under the provisions of the Louisiana Motor Vehicle Commission Law (R.S. 32:1251-1260, relative to the distribution and sale of new or unused motor vehicles).

Anyone acting in more than one of such capacities must qualify for and have a current license for each such capacity; for example, the holding of a license as a motor vehicle dealer does not permit such licensee to make sales for resale.

Anyone having more than one place where such business is carried on or conducted must obtain and hold a current license for each place of business.

Section 2. All applications for licenses under the Louisiana Motor Vehicle Commission Law, hereafter for convenience referred to simply as the "Law", shall be made upon forms prescribed by the Louisiana Motor Vehicle Commission, hereinafter for convenience referred to simply as the "Commission", and every such applicant shall furnish such information and such accompanying documents as may be required by said forms, copies of which are annexed hereto and made part hereof, and such supplemental information as may be required by the Commission.

Section 3. No application will be considered unless accompanied by the fee or fees prescribed by law.

Section 4. Any persons, firms, associations, corporations, or trusts engaging in any business subject to license under the Louisiana Motor Vehicle Commission Law without first obtaining such license, are in violation of the law from the moment they first begin business without such license, and thereby subject to criminal prosecution and other actions provided by law.

Section 5. All communications with the Commission should be addressed to its office, 3519 12th Street, Metairie, Louisiana 70002. All necessary forms may be obtained at such office.

Section 6. (A) The time and place for hearings to be held by the Commission shall be as designated by the Commission. Ten (10) days' written notice, in accordance with R.S. 32:1256, will be given to the licensee concerned, of hearings to be held to consider suspension or revocation of license. An applicant whose license has been denied and whose request for a hearing has been received by the Commission will be given ten (10) days' written notice of the time and place set for such hearing unless such notice is expressly waived, in writing, by the

applicant concerned. The notice of hearing to consider suspension or revocation shall include all charges made against a licensee in sufficient detail that the accused may know the violations from which the charges originated. In case the notice is of a hearing to review the denial of a license, the notice shall contain the reason or reasons for such denial of which the applicant has been previously notified in order that the applicant shall have a full opportunity to disprove, avoid, or otherwise meet such reasons by evidence. Such notice may be sent by registered or certified mail to the last address furnished to the Commission by the applicant or the licensee.

(B) Within ten (10) days from the time of receipt of the notice of hearing the accused licensee shall file in duplicate with the Executive Secretary of the Commission an answer admitting or denying separately and in good faith each statement of fact made in the notice. If the accused has no knowledge of the truth of any particular fact, he shall so state and it shall be taken as denied. Any fact not expressly denied, or knowledge thereof disclaimed, shall be considered admitted. This rule is for the purpose of preventing the loss of time and expense frequently occasioned in proving and recording facts about which there is no real controversy.

(C) Where an answer is filed which puts in issue material facts in the notice, the Commission will arrange for a reporter to transcribe the proceedings. Where no such answer is filed, the Commission may consider the charges as confessed and take appropriate action.

(D) Where the charges against the accused are based on an official record of any court or tribunal at which the accused had opportunity to be heard, the Commission may issue an order citing the accused to show cause why the Commission should not take such action as the Commission shall indicate in the order. In such cases the burden of proof shall be on the party directed to show cause.

(E) The Commission shall not be bound by the rules of evidence applicable in a court and it may admit and give probative effect to any evidence which possesses such probative value as would entitle it to be accepted by reasonably prudent men in the conduct of their affairs; provided, however, that the Commission shall give effect to the rules of privilege recognize by law and may exclude incompetent, irrelevant, immaterial, or duly repetitious evidence and may make rulings to protect witnesses from undue harassment or oppression.

(F) All evidence, including records and documents, in the possession of the Commission of which it desires to avail itself, shall be offered and made a part of the record in the case, and no other factual information or evidence shall be considered in the determination of the case. Documentary evidence may be received in the form of copies or excerpts or by incorporation by reference.

(G) Every party shall have the right of cross-examination of witnesses who testify, and shall have the right to submit rebuttal evidence.

(H) In hearings concerning the denial of an application for a license, the burden of going forward with the evidence shall be on the applicant; otherwise, it shall be upon the Commission. Every party shall have the right of cross-examination of witnesses who testify, and shall have the right to submit rebuttal evidence.

(I) Five (5) members of the Commission shall constitute a quorum for any meeting or hearing, and a majority thereof may act on any matter within the jurisdiction of the Commission.

Section 7. The Executive Secretary of the Commission shall have charge of the office of said Commission, the clerical help therein, the books and records of the Commission, and the financial accounts of the Commission, subject to the orders and instructions of the Commission. He shall attend to such routine correspondence and other activities as may not require official action by the Commission itself, and shall perform such other tasks as the Commission may delegate to him. He shall endeavor to obtain all necessary information and so handle and process

the preliminary aspects of matters which are to come before the Commission for official action that when placed before the Commission the matter will be in shape for proper official action.

Section 8. The Executive Secretary shall, as and when directed by the Commission, issue such subpoenas as the Commission may designate to bring before the Commission any person in this State, to give testimony under oath, as well as for the purpose of compelling production of records and papers, relative to matters to be investigated, considered or heard by the Commission.

Section 9. Any party to a hearing desiring the attendance of witnesses upon his behalf shall have the right to seek compulsory attendance of such witnesses, provided said party shall file a list of the names and addresses of such witnesses with the Executive Secretary of the Commission at least five (5) days before the date set for the hearing. The Commission shall take such testimony as may, in its opinion, be necessary to the proper resolution of the matter before it.

Section 10. The Executive Secretary shall notify the applicant or licensee affected by the hearing of the decision of the Commission, by written notice by registered mail, addressed to the applicant or licensee at the last known residence or business address of such applicant or licensee.

Section 11. Promptly upon receipt of any petition to review a decision of the Commission filed by any party in any court, the Executive Secretary shall furnish a copy of such petition to each member of the Commission and to the Commission counsel and shall file all pertinent documents with the Clerk of the Court wherein such relief is sought.

Section 12. The requirement of licenses for salesmen, as set forth in the Louisiana Motor Vehicle Commission Law, includes any sales manager whose duties include, in whole or in part, the selling, or participating in the selling of new motor vehicles, unless such sales manager be, in whole or in part, an owner of the business, participating in the profits and losses.

Section 13. It is illegal for licensees to employ unlicensed salesmen.

Section 14. All licensees employing salesmen must, before allowing them to act as such, see to it that they have obtained a proper license under the Louisiana Motor Vehicle Commission Law.

Section 15. Every motor vehicle salesman, factory representative, and distributor representative, when licensed, will be licensed to represent his employer and must keep his pocket license card on his person, and his employer must retain possession of the license certificate until termination of such employment. Said motor vehicle salesman, factory representative, or distributor representative may not represent another employer without first being issued a license to represent the said particular employer.

Section 16. All licenses having salesmen in their employ must, upon termination of such employment, report same to the Louisiana Motor Vehicle Commission and see to it that said salesman's pocket card and license certificate are immediately returned to the Louisiana Motor Vehicle Commission.

Section 17. Motor Vehicle dealers shall not employ unlicensed salesmen to sell new motor vehicles, and shall not employ or utilize the services of used motor vehicle lots or dealers or other unlicensed "bird dogs" in connection with the sale of new motor vehicles.

Section 18. Every motor vehicle dealer or distributor must post his license certificate as such in a prominent

place in his place of business, stated in such license certificate, and dealers and distributors having more than one place of business in Louisiana must obtain a separate license for each place of business and post in each place of business in a prominent place the license for such place of business.

Section 19. A Manufacturer, Distributor, Factory Representative, or Distributor Representative shall not ship or sell motor vehicles to a Motor Vehicle Dealer until the Motor Vehicle Dealer shall have been licensed by the Louisiana Motor Vehicle Commission.

Section 20. Licensees shall not use unfair, misleading or bait advertisement.

Bait advertising is an alluring but insincere offer to sell a product or service which the advertiser in truth does not intend or want to sell. Its purpose is to switch consumers from buying the advertised merchandise, in order to sell something else, usually at a higher price or on a basis more advantageous to the advertiser. The primary aim of a bait advertisement is to obtain leads as to persons interested in buying merchandise of the type so advertised.

No advertisement containing an offer to sell a product shall be published when the offer is not a bona fide effort to sell the advertised product.

No statement or illustration shall be used in any advertisement which creates a false impression of the make, value, model, or color of the product offered, or which may otherwise misrepresent the product in such a manner that later, on disclosure of the true facts, the purchaser may be switched from the advertised product to another. Motor vehicles advertised for sale shall be in the possession of the dealer as advertised at the address given. They shall be in condition to demonstrate and willingly shown and sold at advertised prices and terms. If sold, the advertiser shall, upon request be willing to show sales records of advertised motor vehicles which allegedly have been sold.

Even though the true facts are subsequently made known to the buyer, the law is violated if the first contact or interview is secured by deception. No act or practice shall be engaged in by an advertiser to discourage the purchase of the advertised merchandise as part of a bait scheme to sell other merchandise.

Among acts or practices which will be considered in determining if an advertisement is a bona fide offer to sell the advertised product are:

- (a) The refusal to show, demonstrate, or sell the product offered in accordance with the terms of the offer,
- (b) the disparagement by acts or words of the advertised product or the disparagement of the guarantee, credit terms, availability of service, repairs or parts, or in any other respect, in connection with it,
- (c) the failure to have available to all outlets listed in the advertisement a sufficient quantity of the advertised product to meet reasonably anticipated demands, unless the advertisement clearly and adequately discloses that supply is limited and/or the merchandise is available only at designated outlets,
- (d) the refusal to take orders for the advertised merchandise to be delivered within a reasonable period of time,
- (e) the showing or demonstrating of a product which is defective, unusable or impractical for the purposes represented or implied in the advertisement,
- (f) use of a sales plan or method of compensation for salesmen or penalizing salesmen, designed to prevent

or discourage them from selling the advertised product.

No practice shall be pursued by an advertiser, in the event of sale of the advertised product, of “unselling” with the intent and purpose of selling other merchandise instead.

Among acts or practices which will be considered in determining if the initial sale was in good faith, and not a stratagem to sell other merchandise are:

- (a) Accepting a deposit for the advertised product, then switching the purchaser to a higher-priced product,
- (b) failure to make delivery of the advertised product within a reasonable time or to make a refund,
- (c) disparagement by acts or words of the advertised products, or the disparagement of the guarantee, credit terms, availability of service, repairs, or in any other respect, in connection with it,
- (d) the delivery of the advertised product which is defective, unusable or impractical of the purpose represented or implied in the advertisement.

Sales of the advertised merchandise do not preclude the existence of a bait and switch scheme. It has been determined that, on occasions, this is a mere incidental by-product of the fundamental plan and is intended to provide an aura of legitimacy to the over-all operation.

The following are specific but not all inclusive standards for advertising which shall be adhered to by licensees:

1. Every price advertisement shall include all charges except local and/or state sales tax, license and insurance.

2. Full and complete information shall be shown in describing the new motor vehicle so advertised and shall include:

A. Make and Year.

B. Series (Manufacturer’s name plate).

C. Number of doors.

D. Equipment included in advertised price. Any illustration used in any advertising media, including television, must be that of the new motor vehicle advertised as outlined above.

E. Any advertised statements, illustrations and offers of motor vehicles as to year, make, model, type, condition, equipment, price, trade-in allowance, terms, etc., shall be clearly set forth and based upon facts.

(a) The use of stock numbers will not preempt the requirements of full disclosures as stated above, except that the listing of equipment is not required when a manufacturer’s list price, if an automobile, or Manufacturer’s Suggested Retail Price, if a truck, is also advertised.

3. CREDIT SALES PLANS advertised must include:

A. The requirements contained in 2, above, with regard to description and illustration of the advertised product shall be adhered to in credit sales plan advertisements.

B. The amount of any required down payment.

C. The number, amount, or period of payments scheduled to repay the debt.

D. The finance charge expressed as an annual percentage rate.

4. DEFERRED PAYMENTS: No advertisement shall offer to defer the first payment on a credit sale beyond 45 days unless such advertisement states with equal prominence the method and/or terms of extending the first payment.

5. LEASE ADVERTISING: Lease advertising regulation is required because it represents an alternative to buying on credit. The following disclosures are required in lease advertising:

A. The requirements contained in 2, above, with regard to description and illustration of the advertised product shall also be adhered to in lease advertisements.

B. That the transaction advertised is a lease.

(1) The disclosure that the transaction is a lease must be equal to the featured size and prominence as the amount of payment and the down payment (or lack thereof) disclosure.

C. The total amount of any payment such as security deposit or capitalized cost reduction required at the consummation of the lease, or that no such payments are required.

D. The number, amount, periods of scheduled payments, residual value, if any.

E. A statement of whether or not the lessee has the option to purchase the leased property and at what price and time.

F. A statement of the amount or method of determining the amount of any liabilities the lease imposes upon the lessee shall be liable for the difference, if any, between the estimated value of the lease property and realized value at the end of the lease term, if the lessee has such liability.

6. STATEMENT OF COSTS INVOICE: No advertisement shall be run which uses the term or terms “invoice”; “cost”; “percent over/under cost, invoice or profit”; “\$\$\$ over/under cost, invoice or profit”.

7. FREE MERCHANDISE: It is unfair practice for a dealer to use the word “free” or any other word or words of similar import, in any advertising, if the cost, or any part of the cost of the “free” equipment, accessory, or other merchandise, is included in the price of the motor vehicle or if the motor vehicle can be purchased for a lesser price without such equipment, accessory, or merchandise.

8. CASH OFFERS: Any cash offer funded by the dealer shall not be used and is prohibited.

9. UNDERSELLING CLAIMS AND VOLUME DEALING: Unsupported underselling claims shall not be used. Claims such as “First”, “Largest”, “Biggest” must be qualified as to validity (using valid source data) and the time period of claim.

10. SAVINGS CLAIMS - DISCOUNTS: (1) Specific claims or discount offers shall not be used in connection with any motor vehicle other than new or a Demonstrator and then only to show the difference between the dealer's own current selling price and the bona fide Manufacturer's Suggested List Price, if an automobile, or Manufacturer's Suggested Retail Price, if a truck. Full explanation must be given, as for example, "Save or discount \$ ___ from Manufacturer's List/Retail Price."

(2) Such statements as "Up To", "As Much As", "From" - "To", etc., shall not be used in connection with savings claims.

11. MANUFACTURER AND DISTRIBUTOR REBATES: It shall be unlawful for an manufacturer or distributor, either directly or indirectly, to advertise, publicize or represent to the public by any means or in any medium, any offer to purchasers of vehicles sold by the manufacturer or distributor, of a rebate, refund, discount or other financial inducement or incentive, which is either payable to or for the benefit of the purchaser of the vehicle or which reduces the amount to be paid by the purchaser for the vehicle, whether such amount is the vehicle purchase price or any other cost accruing to the purchaser in connection with the purchase of the vehicle, where any portion of such rebate, refund, discount or other financial incentive or inducement is paid by, financed by, or in any manner contributed to by the dealer selling the vehicle, unless such advertising or publicizing discloses clearly and discernible the following:

A. The dealer's contribution may affect the final negotiated price of the vehicle.

B. A manufacturer or distributor rebate which includes the dealer portion or contribution shall not be regarded as a cash offer funded by the dealer for purposes of Rule 8.

12. DEALERS ADVERTISING OF MANUFACTURER AND DISTRIBUTOR REBATES: It shall be unlawful for any dealer, either directly or indirectly, to advertise, publicize or represent to the public by any means or in any medium, any offer to purchasers of vehicles sold by the dealer, of a manufacturer's or distributor's rebate, refund, discount or other financial inducement or incentive of the type described in 11, above, unless such advertising or publicizing clearly and discernible discloses the following:

A. The dealer's contribution may affect the final negotiated price of the vehicle.

13. UNTRUE AND AMBIGUOUS STATEMENTS SHALL NOT BE USED: Statements such as "Write your own deal", "Name your own price", "Name your own monthly payments", "Appraise your own motor vehicle", and phrases of similar import are obviously untrue and shall not be used.

14. CURRENT USED: Used motor vehicles shall not be advertised so as to create the impression they are new.

(a) Motor vehicles of the current and preceding year, which are other than new, must be clearly identified and qualified as "Used", "Executive Driven", "Demonstrator", "Demo", etc., as may be the case.

15. ADVERTISING FORMAT AND DISCLOSURE REQUIREMENTS:

A. Qualifying phrases and amounts shall be clearly legible and associated with the featured amount.

B. The finance charge (expressed as an annual percentage rate) and other required disclosures must be presented at least in the video portion of a TV commercial and in a discernible manner.

16. GAS MILEAGE CLAIMS: Advertising which includes a gas mileage claim, i.e., a certain miles-per-gallon claim must be properly qualified as to the source of information and authenticity of the claim. Such advertisement should include, but not be limited to a clear statement as to whether the claimed miles-per-gallon can be expected to be attained under normal or usual driving conditions.

17. AUTO SHOWS: Auto shows must be submitted for approval by the Louisiana Motor Vehicle Commission and comply with the following terms and conditions:

A. All promotions shall be made available to all local new vehicle dealers or trade associations representing a group of local vehicle dealers.

B. All local new car dealers shall be offered an opportunity to participate in such auto shows unless sponsored by a particular trade association to promote its members' products.

C. Such auto shows must comply with all rules and regulations of the Louisiana Motor Vehicle Commission and the Laws of the State of Louisiana.

The term "advertising" includes any form of public notice however disseminated or utilized.

Section 21. Licensees shall not engage in any improper or unfair acts or practices harmful to the industry or otherwise detrimental to the public welfare.

A licensee holding a Louisiana Motor Vehicle Retail License for a particular make or brand of motor vehicle shall not display, offer for sale, or sell a new and unused motor vehicle of another make or brand that he does not hold a company franchise for and is not properly equipped for servicing and licensed to sell. Any licensed franchise dealer holding a license under the Louisiana Motor Vehicle Commission, shall, if found guilty of the above practices, be subject to the withholding, revocation, or suspension of his license upon proper hearing, as provided in these rules and regulations.

Section 22. These rules and regulations may be amended, modified and supplemented from time to time as the Commission may deem necessary and advisable.

Section 23. Franchised new motor vehicle dealers must have an enclosed new motor vehicle display showroom of not less than 400 sq. ft. in area, and must maintain an adequate stock of replacement parts, an adequate shop area and adequate mechanical facilities for the proper servicing of the motor vehicles which he sells.

Provided that exclusive heavy duty truck dealers are not required to maintain a display showroom as required by this Section.

Section 24. Automobile manufacturers licensed by this Commission to do business in Louisiana shall be required to pay their franchised dealers doing warranty work under the respective manufacturer's published warranty a labor rate equal to, but not to exceed the labor rate in effect in the particular dealership for such work when done for the public generally, i.e., non-warranty work.

Section 25. Motor Vehicle Repairs and Services.

A. Definitions - For the purpose of Section 25 only, the following definitions shall apply:

(1) "Supplier" means any new or unused motor vehicle dealer who furnishes or supplies motor vehicle

repairs and services, either directly or through the employment of other mechanics or repairmen; provided, however, that motor vehicle repairs and services performed on motor vehicles over 20,000 pounds, GVWR are excluded for the purposes of Section 25;

(2) "Anticipated" repairs, services, labor and parts means those repairs, services, labor and parts, which based on the judgement, training and experience of the supplier will be foreseeably required in order to achieve the results desired by the consumer who requests repairs and services;

(3) "Necessary" repairs, services, parts and labor mean those repairs, services, parts and labor which, in the judgement of the supplier, are required to fully remedy or prevent a defect or malfunction.

(4) "Original Estimate" means an approximation of the cost of anticipated repairs and services to be performed by a supplier which does not exceed the subsequent actual cost of such anticipated repairs and services by more than twenty-five percent (25%).

B. It shall be an unfair and deceptive act or practice, in connection with a transaction involving motor vehicle repairs and services for a supplier of such repairs and services to do any of the following:

(1) If specifically requested by consumer, when the anticipated repairs exceed one hundred twenty-five (\$125.00), then to fail to provide in advance, to a consumer seeking repairs and services, a written original estimate of the cost to the consumer of all anticipated repairs and services, including any charge for disassembly or reassembly of any parts disassembled for inspection and any service charge of any type to be imposed:

(a) such written estimate shall include, in separate columns an itemized list of each anticipated repair to be performed, the anticipated labor charge involved for each repair, and the cost to the consumer of anticipated parts to be replaced;

(b) the requirement of B(1), above, shall be satisfied by the statement of a flat rate price if such repairs and services are customarily done and billed on a flat rate basis;

(c) notwithstanding anything herein to the contrary, if disassembly for inspection is necessary to determine the extent of anticipated repairs before an original estimate can be given, then any charge for such disassembly and/or reassembly shall be disclosed in advance;

1. provided further that the amount of the charge referred to in B(1)(c), above: shall not be conditioned upon the consumer consenting to performance of the repairs discovered as a result of the inspection by the supplier who performs said inspection.

(d) a fair charge may be made by the supplier for the service of preparing this written estimate; said charge not to exceed five dollars (\$5.00) for an estimate up to two hundred dollars (\$200.00) and not to exceed ten dollars (\$10.00) for estimate in excess of two hundred dollars (\$200.00) if same is made on the premises of the supplier, and notice of this charge must be posted as designated in B(3), below.

(2) If an original written estimate is requested by a consumer, then, to fail to obtain oral or written authorization from the consumer for subsequently arising unanticipated, but necessary, repairs, services, parts and labor, when those repairs, services, parts and labor will exceed the cost estimated in the original estimate, or itemized part thereof, by more than twenty-five percent (25%) excluding tax:

(a) when unanticipated, but necessary, repairs, services, parts and labor are needed and authorization to

perform same is obtained from the consumer, the cost of these additional repairs, services, parts and labor shall be separately estimated in writing and a copy of this separate estimate made available to the consumer;

(3) To fail to post in a conspicuous place in the service reception area a sign with a white background and having black letters at least one (1) inch in height which reads as follows:

NOTICE TO OUR CUSTOMERS

You may request a written estimate, in advance, before authorizing us to repair your vehicle if it is anticipated that such repairs might exceed \$125.00. Our charge for such estimate is \$ ___ for any job up to \$200.00 and \$ ___ for jobs in excess of \$200.00:

Provided that the supplier makes no charge for a written estimate then he may delete the last sentence of the above notice and insert in its place a statement that no charge is made for the estimate.

Provided further that the supplier may at his option, change the \$125.00 requirement to a lesser amount.

(4) To fail to reassemble any parts disassembled for inspection unless the consumer is so advised prior to acceptance for inspection by the supplier;

(5) To willfully represent that repairs are necessary when such is not the fact;

(6) To willfully represent that repairs have been made when such is not the fact;

(7) To willfully represent that the parts being inspected or diagnosed are in a dangerous condition or that the consumer's continued use of them may be harmful to him when such is not the fact;

(8) To willfully understate or misstate the estimated cost of repairs, services, parts and labor in excess of twenty-five percent (25%) for the purpose of inducing a consumer to enter into a transaction for repairs and services;

(9) To fail to disclose the intended use of used parts in conjunction with repairs and services, or to install used parts without the knowledge and consent of the consumer;

(10) To fail to provide the consumer with an itemized bill indicating repairs and services actually performed, parts actually replaced, or materials actually used, the total labor charge, and the name of the mechanic, repairman, or supplier who performed the work;

(a) the requirements of B(10), above, shall be satisfied by a bill reflecting a flat rate price if such repairs and services are customarily done and billed on a flat rate basis;

C. Upon request of the consumer at the time the repair order is written, the supplier shall then tender to such consumer any replaced parts at the time the job is delivered, unless the parts are to be rebuilt or sold by the supplier, or if the part is a warranty part that must be returned to the manufacturer, and such intended reuse or return is made known to the consumer at the time of the request.

Section 26.

A. Qualifications and Eligibility

The Commission, in determining the qualifications and eligibility of an applicant for a Motor Vehicle Lessor and a Lessor Used Car Facility, will base its determinations upon the following factors:

1. The ability of the applicant to establish an adequate place of business, properly zoned in the municipality, provide a suitable office, have a permanently affixed sign, in front of the establishment which denotes that vehicles are offered for lease or sale at the location to which the sign is affixed. Applicant must have a useable telephone at the place of business, the number of which should be listed on the application for license and in a local directory accessible to the public. The Commission must be notified of any change in the telephone number.

2. All applicants are required to furnish and cause to be kept in force the minimum required liability insurance coverage on all vehicles offered for sale, rental, lease, or used in any other capacity in demonstrating or utilizing the streets and roadways in accordance with the financial responsibility laws of this State.

3. Before any Motor Vehicle Lessor or Lessor Used Car Facility license is issued to an applicant under the provisions of the Louisiana Motor Vehicle Commission Act, L.R.S. 32:1251 et seq. a good and sufficient surety bond, executed by the applicant as principal and by a surety company qualified to do business in Louisiana as surety in the sum of ten thousand dollars (\$10,000.00), shall be delivered to the Commission. Such bond shall be in a form to be approved by the Commission and shall be conditioned that the applicant shall comply with the conditions of any written contract made by such applicant in connection with the lease, rental, sale or exchange of any motor vehicle and shall not violate any of the provisions of the Louisiana Motor Vehicle Commission Act, L.R.S. 32:1251 et seq. or any other law of Louisiana in the conduct of the business for which he is licensed. Such bond shall be made payable to the Secretary of the Department of Public Safety or to his successor in office, for the use, benefit, and indemnity of any persons who shall suffer any loss as a result of any violation of the conditions hereinabove contained. Such bond shall be delivered to the Commission at the beginning of each license period; however, the aggregate liability of the surety in any one (1) year shall in no event exceed the sum of such bond. The bond required by this Section shall be maintained throughout the period of licensure. Should the bond be canceled for any reason, the license shall be revoked as of the date of cancellation unless a new bond is furnished prior to such date.

4. The applicant's business integrity, based upon the applicant's experience in the same or similar businesses, his business history, and whether such applicant will devote full or part time to the business.

B. Definitions.

1. "Established Place of Business" shall mean a permanently enclosed building or structure either owned in fee, leased or rented, which meets local zoning or the municipal requirements, and regularly occupied by a person, firm or corporation, easily accessible to the public at which a regular business of leasing or rental of motor vehicles or selling used motor vehicles will be carried on in good faith; and, at which place of business shall be kept and maintained the books, records, and files necessary to conduct the business; and, shall not mean residences, tents, temporary stands, lots, or any temporary quarters.