

Title 46
PROFESSIONAL AND OCCUPATIONAL STANDARDS
Part V. Automotive Industry
Subpart 1. Motor Vehicle Commission

Chapter 1. General Requirements

§101. Definitions
[Previously §707]

A. Definitions

Abbreviations—using shortened terms for words or initials for groups of words. Commonly understood abbreviations, such as “ ‘2 DR’ ,” “ ‘AM/FM’ ,” “ ‘APR’ ,” “ ‘WAC’ ,” “ ‘DEMO’ ,” “ ‘EXEC’ ,” “ ‘DOC FEE’ ,” may be used. Trade industry abbreviations which are not commonly understood, such as “ ‘FTB’ ,” “ ‘A/R’ ,” “ ‘TOP’ ,” “ ‘POF’ ,” “ ‘DOC’ ,” may not be used. This rule does not contain a list of all the abbreviations one may not use.

Advertisement—an oral, written, telecommunicated, graphic, or pictorial statement made in the course of soliciting business, including, without limitation, a statement or representation made in a newspaper, magazine, or other publication, or contained in a notice, sign, poster, display, circular, pamphlet, letter, flyer, price tag, window sticker, banners, billboards, handbills, or on radio, the Internet, or via on-line computer service, or on television or on-hold messaging, any medium.

Bait Advertisement—an alluring but insincere offer to sell or lease a product of which the primary purpose is to obtain leads to persons interested in buying or leasing merchandise of the type advertised and to switch consumers from buying or leasing the advertised product in order to sell some other product at a higher price or on a basis more advantageous to the advertiser.

Balloon Payment—any scheduled payment required by a consumer credit sale or consumer loan that is more than twice as large as the average of all prior scheduled payments except the down payment.

Commission—the Louisiana Motor Vehicle Commission.

Dealership Addendum—a form which is to be displayed on a window of a motor vehicle when the dealership installs special features, equipment, parts or accessories, or charges for services not already compensated by the manufacturer or distributor for work required to prepare a vehicle for delivery to a buyer.

- a. The addendum is to disclose:
 - i. that it is supplemental;
 - ii. any added feature, service, equipment, part, or accessory charged and added by the dealership and the retail price therefore;

- iii. any additional charge to the selling price manufacturer’s suggested retail price (MSRP) such as additional dealership markup; and

- iv. the total dealer retail price.

b. The dealership addendum form shall not be deceptively similar in appearance to the manufacturer’s label, which is required to be affixed by every manufacturer to the windshield or side window of each new motor vehicle under the Automobile Information Disclosure Act.

Demonstrator—a new motor vehicle that is currently in the inventory of the automobile dealership and used or has been used primarily for test drives by customers and other dealership purposes and so designated by the dealership. Demonstrators may be advertised for sale as such only by an authorized dealer in the same make of motor vehicle.

Disclaimer—those words or phrases used to provide a clear understanding of any advertised statement, but not used to contradict or change the meaning of the statement.

Disclosure—a clear and conspicuous statement made in such size, color, contrast, location, duration, and audibility that it is readily noticeable, readable and understandable. The disclosure may not contradict or be inconsistent with any other information with which it is presented. If the disclosure modifies, explains, or clarifies other information with which it is presented, or states “see dealership for details,” then it must be presented in proximity to the information it modifies, in a manner readily noticeable, readable, and understandable, and it must not be obscured in any manner.

- a. An audio disclosure must be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it.

- b. A visual disclosure for television must appear on the screen for a duration sufficient for a consumer to read and comprehend it.

- c. In a print or internet advertisement or promotional material, including without limitation point of sale display or brochure materials directed to consumers, a disclosure must be in a type size and location sufficiently noticeable for a consumer to read and comprehend it, in a print that contrasts with the background against which it appears.

- d. For purposes of these rules, qualifying terms and phrases will be considered to be clearly, conspicuously and accurately set forth if they are:

- i. in bold print and type of such size that is capable of being read without unreasonable extra effort;
- ii. expressed in terms that are understandable to the buying public; and
- iii. in close proximity to the qualified representation and not separated or buried by asterisk in some other part of the advertisement.

Factory Executive/Official Vehicle—a new motor vehicle that has been used exclusively by an executive or official of the dealer's franchising manufacturer, distributor or their subsidiaries.

Internet—a system that connects computers or computer network.

Licensee—any person required to obtain a license from the commission.

Manufacturer's Label—the label required by the Automobile Information Disclosure Act, 15 U.S.C. 1231-1233, to be affixed by the manufacturer to the windshield or side window of each new automobile delivered to the dealer.

Program Vehicle—a used vehicle that is purchased at a manufacturer's closed auction or sold by or directly from the manufacturer or distributor which is current or previous year model, that has been previously tagged and/or titled, and returned to the manufacturer for disposal.

Rebate or Cash Back—a sum of money refunded to a purchaser for their benefit by the manufacturer or distributor after full payment has been rendered. The purchaser may choose to reduce the amount of the purchase price by the sum of money or the purchaser may opt for the money to be returned to himself or for his benefit subsequent to payment in full.

Vehicle—any motor vehicle or recreational product subject to regulation by the commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253 E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:75 (January 2008), amended LR 36:1545 (July 2010).

**§103. Communication with Commission
[Previously §107]**

A. All communications with the commission should be addressed to its office, 3519 Twelfth Street, Metairie, LA 70002. All necessary forms may be obtained at such office.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1546 (July 2010).

**§105. Powers and Duties of Executive Director
[Previously §109]**

A. The executive director of the commission shall have charge of the office of the 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. The executive director has the authority to issue all licenses upon receipt of applications that comply with the statutes and rules of the commission. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1546 (July 2010).

**§107. Manufacturer Termination of Franchise:
Liquidation of New Vehicle Inventory:
Exception**

A. If the termination, cancellation, or nonrenewal of a licensee's franchise by the manufacturer, distributor, or factory branch is the result of the termination, elimination, or cessation of a motor vehicle or recreational product line (a "vehicle"), whether by bankruptcy, closure of its business or otherwise (the "termination"), the license issued by the commission many remain in effect or be renewed at the discretion of the commission under the following circumstances.

1. The vehicle(s) was acquired in the ordinary course of business as a new vehicle by a person licensed to sell that vehicle.
2. The termination is not a result of the revocation by the commission of the licensee's license or the licensee's conviction of a crime.
3. The vehicle is held in the inventory of the licensee on the date of the termination.
4. The vehicle is sold by the licensee within six months of the date the termination unless this period is extended upon application by the licensee in the commission's discretion.
5. The commission's discretion to allow the licensee to continue in effect does not entitle a licensee whose franchise agreement has been terminated, canceled, or rejected to continue to perform warranty service repairs or continue to be eligible to offer or receive consumer or dealer

incentives offered by the manufacturer, distributor, or factory branch.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1547 (July 2010).

§109. Records Management; General

A. Any public record maintained by the commission may be kept in any written, photographic, microfilm, or other similar form or method, or may be kept by any magnetic, electronic, optical, or similar form of data compilation that has reasonable safeguards against erasure or alteration, including the use of programs, methods, procedures and/or services that provide secured, portable document formats and digital signatures, and for which the commission has obtained the necessary licensees and/or authorities to insure reasonable safeguards against erasure or alteration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1547 (July 2010).

§111. Subpoenas

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975.

Chapter 3. Hearing Procedures

§301. Investigation and Adjudication by the Commission

A. The commission has the responsibility to consider and determine the action necessary upon all charges of conduct which fail to conform to R.S. 32:1251 et seq., as re-enacted and amended, or to the rules and regulations promulgated to carry out the provisions of this Chapter or for the violation of any other law or rule or regulation relating to the sale, lease or rental, distribution or financing of products, and any activities regulated by the commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1547 (July 2010).

§303. Adjudication Process and Procedures

A. The provisions of the Administrative Procedure Act shall govern proceedings on questions of violation of R.S.

32:1251 et seq., as re-enacted and amended. An adjudication proceeding, including the formal hearing, is less formal than a judicial proceeding. It is not subject to strict rules and technicalities, but must be conducted in accordance with considerations of fair play and constitutional requirements of due process.

B. The commission is empowered to conduct investigations to determine compliance with the laws and rules and regulations it administers. The executive director or its designee may issue a subpoena prior to the filing of charges if, in the opinion of the executive director, such a subpoena is necessary to investigate any potential violation or lack of compliance with R.S. 32:1251 et seq., or the rules, regulations, or orders of the commission. The subpoena may be to compel the attendance of any person to appear for the purposes of giving sworn testimony or to compel the production of books, records, papers, or other objects.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1547 (July 2010).

§305. Formal Hearing

A. The commission has the authority to bring administrative proceedings with regard to any licensee, applicant for a license, or any person engaged in activities regulated by the commission, as well as to conduct administrative hearings with regard to disputes between its licensees regarding the provisions of R.S. 32:1251 et seq., and other laws and rules and regulations administered by the commission. A person(s), who is a party to the hearing, has the right to appear and be heard, either in person or by counsel; the right of notice, a statement of what accusations have been made; the right to present evidence and to cross-examine; and the right to have witnesses subpoenaed.

B. Notice and Service

1. The executive director fixes a time and place for a hearing.

2. Within 10 days from the time of receipt of the notice of hearing, the noticed party shall file 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 noticed party 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 not real controversy.

3. If the licensee, or person subject to the hearing, does not appear, in person or through counsel, after proper notice has been given, the person may be deemed to have waived his right to appear and the commission may proceed with the hearing without the presence of the person.

4. Informal disposition of any case of adjudication may be made by stipulation, agreed settlement, consent order or default.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 36:1547 (July 2010).

§307. Declaratory Orders and Rulings

A. The commission may issue a declaratory order and ruling pursuant to the Administrative Procedure Act which has the same status as a commission decision or order in an adjudicated case.

B. A request for a declaratory order and ruling shall be made in the form of a petition to the commission. The petition shall include, but shall not be limited, to the following:

1. the name and address of petitioner;
2. specific reference to the statutes or rules and regulations to which it relates;
3. a statement of the manner in which the petitioner is aggrieved by the statute or rule or by its potential application to it, or in which it is uncertain of its effects;
4. a statement of whether an oral hearing is desired;
5. other information appropriate for the commission’s deliberation on the request.

C. The petition will be considered by the commission at its next regularly scheduled meeting provided that the petition has been filed at least 30 days prior to that meeting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E) and R.S. 49:962.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010).

**Chapter 5. Motor Vehicle Salesmen;
Dealers; Distributors**

§501. Licenses for Motor Vehicle Salesmen

A. The requirement of licenses for motor vehicle salesmen, as set forth in R.S. 32:1251 et seq., includes any person whose duties include, in whole or in part, the selling, financing, insuring, or participating in the selling of motor vehicles or recreational products.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010).

§503. Unlicensed Motor Vehicle Salesmen

A. It is illegal for licensees to employ unlicensed motor vehicle salesmen. A motor vehicle salesman must possess a

separate license for every licensee and location for which he engages in any selling activity.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010).

**§505. Pocket License Card
[Previously §507]**

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1256

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010).

**§507. Termination of Motor Vehicle Salesman; Return of Pocket Card and License
[Previously §509]**

A. All licenses having motor vehicle salesmen in their employ must, upon termination of such employment, report same to the commission and see to it that said motor vehicle salesman’s pocket card and license certificate are immediately returned to the commission.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010)

**§509. Unlicensed Motor Vehicle Salesmen; Prohibition against Use of
[Previously §511]**

A. Licensees shall not employ or compensate unlicensed motor vehicle salesmen to sell 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 vehicles.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974,

repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1548 (July 2010).

§511. Display of License **[Previously §513]**

A. Every licensee must post his license certificate as such in a prominent place in his place of business, stated in such license certificate, and licensees 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1549 (July 2010).

§513. License Prior to Shipment **[Previously §515]**

A. A manufacturer, distributor, converter, factory representative, or distributor representative shall not ship or sell motor vehicles, recreational products, or specialty vehicles to a licensee until the licensee shall have been licensed by the commission.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1549 (July 2010).

Chapter 7. Advertising

§701. Advertising; Dealer Name

A. Dealers may advertise only under the name that appears on their franchise agreement and dealer license issued by the Motor Vehicle Commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:75 (January 2008).

§703. General Prohibition

A. A person advertising vehicles shall not use false, deceptive, unfair, or misleading advertising.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:75 (January 2008), amended LR 36:1549 (July 2010).

§705. Specific Rules

A. The violation of an advertising rule shall be considered by the commission as a prima facie violation of R.S. 32:1251 et seq. In addition to a violation of a specific

advertising rule, any other advertising or advertising practices found by the commission to be false, deceptive, or misleading shall be deemed a violation of R.S. 32:1251 et seq., and shall also be considered a violation of the general prohibition.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:75 (January 2008), amended LR 36:1549 (July 2010).

§709. Availability of Vehicles

A. A licensee may advertise a specific vehicle or line-make of vehicles for sale if:

1. the specific vehicle or line is in the possession of the licensee at the time the advertisement is placed, or the vehicle may be obtained from the manufacturer or distributor or some other source, and this information is clearly and conspicuously disclosed in the advertisement; and

2. the price advertisement sets forth the number of vehicles available at the time the advertisement is placed or a dealer can show he has available a reasonable expectable public demand based on prior experience. In addition, if an advertisement pertains to only one specific vehicle, then the advertisement must also disclose the vehicle's stock number or vehicle identification number.

B. Licensees may advertise a specific used vehicle or vehicles for sale if:

1. the specific used vehicle or vehicles is in the possession of the dealer at the time the advertisement is placed; and

2. the title certificate to the used vehicle has been assigned to the dealer.

C. This Section does not prohibit general advertising of vehicles by a manufacturer, dealer advertising association, or distributor and the inclusion of the names and addresses of the dealers selling such vehicles in the particular area.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:76 (January 2008), amended LR 36:1549 (July 2010).

§711. Accuracy

A. All advertised statements shall be accurate, clear and conspicuous.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:76 (January 2008).

§713. Untrue Claims

A. The following statements are prohibited, list not exclusive:

1. statements such as "write your own deal," "name your own price," "name your own monthly payments,"

PROFESSIONAL AND OCCUPATIONAL STANDARDS

"appraise your own motor vehicle" or statements with similar meaning;

2.a. statements such as "everybody financed," "no credit rejected," "we finance anyone," "guaranteed approval," and other similar statements representing or implying that no prospective credit purchaser will be rejected because of his inability to qualify for credit;

b. statements such as "all credit applications accepted," or terms with similar meaning are deemed deceptive and shall not be used;

3. statements representing that no other person grants greater allowances for trade-ins, however stated, unless such is the case;

4. statements representing that because of its large sales volume a person is able to purchase vehicles for less than another person selling the same make of vehicles. Statements such as "big volume buying power," "manufacturer's outlet," "factory authorized outlet," and "factory wholesale outlet," shall not be used. Any term that gives the consumer the impression the dealer has a special arrangement with the manufacturer or distributor as compared to similarly situated dealers, is misleading and shall not be used;

5. "double rebates," "triple rebates" or any other amount of rebates that are not truly offered by the manufacturer are prohibited;

6. specific claims or discount offers shall not be used in connection with any 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 or recreational product. Full explanation must be given, as for example, "Save or discount \$ from manufacturer's list/retail price." Such statements as "Up To," "As Much As," "From"- "To," etc., shall not be used in connection with savings claims.

7. any claims such as "first," "largest" and/or "biggest" may be advertised only when the licensee is the "first," "largest" and/or "biggest" in retail sales for a calendar year. The claim of "first," "largest" and/or "biggest" must be qualified as to validity (using valid source data) and the time period of the claim with all qualifying language to be in the same size print as the claim. Additionally, the advertisement of the claim may only be utilized for the following calendar year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:76 (January 2008), amended LR 36:1549 (July 2010).

§715. Layout

A. The layout, headlines, illustrations, or type size of a printed advertisement and the broadcast words or pictures of radio/TV advertisements shall not convey or permit an

erroneous or misleading impression as to which vehicle or vehicles are offered for sale or lease at featured prices. No advertised offer, expression, or display of price, terms, down payment, trade-in allowance, cash difference, savings, or other such material terms shall be misleading and any necessary qualification shall be clearly, conspicuously, and accurately set forth to prevent misunderstanding.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008).

§717. Manufacturer's Suggested Retail Price

A. The suggested retail price of a new motor vehicle when advertised by a manufacturer or distributor shall include all costs and charges for the vehicle advertised, except that destination and dealer preparation charges, state and local taxes, title, and license fees may be excluded from such price, provided that the advertisement clearly and conspicuously states that such costs and charges are excluded. With respect to advertisements placed with local media in Louisiana by a manufacturer or distributor which includes the names of the local dealers of the vehicles advertised, if the price of a vehicle is stated in the advertisement, such price must include all costs and charges for the vehicle advertised, including destination and dealer preparation charges and may exclude only state and local taxes, license, and title fees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008), amended LR 36:1549 (July 2010).

§719. Dealer Price Advertising

A. The featured price of a new or used vehicle, when advertised, must be the full cash price for which the vehicle will be sold to any and all members of the buying public. The only charges that may be excluded from the advertised price are:

1. state and local taxes;
2. license;
3. title; and
4. notarial fees, convenience fees and documentary fees.

B. A qualification may not be used when advertising the price of a vehicle such as "with trade," "with acceptable trade," "with dealer-arranged financing," "rebate assigned to dealer" or "with down payment."

C. If a price advertisement of a new vehicle discloses a rebate, cash back, discount savings claim, or other incentive, the full cash price of the vehicle must be disclosed as well as the price of the vehicle after deducting the incentive. The following is an acceptable format for advertising a price with rebates and other deductions.

Mfg. Sugg. Retail Price	\$9,995
less rebate	\$ 500
less dealer discount	\$ 500
Sale Price	\$8,995

D. If a rebate is only available to a selected portion of the public and not the public as a whole, the price should be disclosed as in Subsection C first and then the nature of the limitation and the amount of the limited rebate may be disclosed. The following is an acceptable format.

Mfg. Sugg. Retail Price	\$9,995
less rebate	\$ 500
less dealer discount	\$ 500
Sale Price	\$8,995
First Time Buyer's Receive Additional \$500 Off	

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008), amended LR 36:1549 (July 2010).

§721. Identification

A. When the price of a vehicle is advertised, the following must be disclosed:

1. model year;
2. make;
3. model line and style or model designation; and
4. whether the vehicle is a used, demonstrator, or a factory executive/official vehicle.

B. Expressions such as "fully equipped," "factory equipped," "loaded," and other such terms shall not be used in any advertisement that contains the price of a vehicle unless the optional equipment of the vehicle is listed in the advertisement.

C. An illustration of a vehicle used in an advertisement must be substantially the same as that of the vehicle advertised.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008), amended LR 36:1550 (July 2010).

§723. Advertising at Cost or Invoice

A. 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."

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008).

§725. Trade-In Allowances

A. No guaranteed trade-in amount or range of amounts shall be featured in advertising.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008).

§727. Used Vehicles

A. A used vehicle shall not be advertised in any manner that creates the impression that it is new. A used vehicle shall be identified as either "used" or "pre-owned." Terms such as program car, special purchase, factory repurchase, certified or other similar terms are not sufficient to designate a vehicle as used, and these vehicles must also be identified as "used" or "pre-owned."

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:77 (January 2008).

§729. Demonstrators, Factory Executive/Official Vehicles

A. If a demonstrator or factory executive/official vehicle is advertised, the advertisement must clearly and conspicuously identify the vehicle as a demonstrator or factory executive/official vehicle. A demonstrator or factory executive/official vehicle may be sold only by a dealer franchised and licensed to sell that line-make of vehicle.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008), amended LR 36:1550 (July 2010).

§731. Auction

A. Terms such as "auction" or "auction special" and other terms of similar import shall be used only in connection with a vehicle offered or sold at a bona fide auction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§733. Free Offers

A. 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 of 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§735. Cash Offers

A. Any cash offer or anything that is convertible to cash funded by the dealer shall not be used and is prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§737. Authorized Dealer

A. The term "authorized dealer" or a similar term shall not be used unless the advertising dealer holds both a franchise and a Louisiana Motor Vehicle Commission license to sell those vehicles he is holding himself out as "authorized" to sell.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§739. Manufacturer and Distributor Rebates

A. It is unlawful for a manufacturer or distributor to advertise any offer of a rebate, refund, discount, or other financial inducement or incentive, which is either payable to or for the benefit of the purchaser or which reduces the amount to be paid for the vehicle, whether the amount is the vehicle purchase price, the interest or finance charge expense, or any other cost accruing to the purchaser if any portion of such rebate, refund, discount, or other financial incentive or inducement is paid or financed or in any manner contributed to by the dealer selling the vehicle, unless the advertisement discloses that the dealer's contribution may affect the final negotiated price of the vehicle. With respect to interest or finance charge expense programs, an advertisement shall disclose that participating dealers contribute to the reduction of the financing rate and that the dealer's contribution may affect the final negotiated price of the vehicle.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§741. Rebate and Financing Rate Advertising by Dealers

A. It is unlawful for a dealer to advertise an offer of a manufacturer's or distributor's rebate, discount, or other financial inducement or incentive if the dealer contributes to the manufacturer's or distributor's program unless such advertising discloses that the dealer's contribution may affect the final negotiated price of the vehicle. With respect to interest or finance charge expense programs, if a participating dealer contributes to the reduction of a financing rate, then a disclosure must state that the dealer's contribution may affect the final negotiated price of the vehicle.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§743. Lease Advertisements

A. Vehicle lease advertisements shall clearly and conspicuously disclose that the advertisement is for the lease of a vehicle. Statements such as "alternative financing plan," "drive away for \$_____ per month," or other terms or phrases that do not use the term "lease," do not constitute adequate disclosure of a lease. Lease advertisements shall

not contain the phrase "no down payment" or words of similar import if any outlay of money is required to be paid by the customer to lease the vehicle. Lease terms that are not available to the general public shall not be included in advertisements directed at the general public, or all limitations and qualifications applicable to qualified buyers to the lease terms advertised shall be clearly and conspicuously disclosed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§745. Manufacturer Sales; Wholesale Prices

A. New vehicles shall not be advertised for sale in any manner that creates the impression that they are being offered for sale by the manufacturer or distributor of the vehicles. Advertisements by persons shall not contain terms such as "factory sale," "fleet prices," "wholesale prices," "factory approved," "factory sponsored," or any other similar terms which indicate sales other than retail sales from the dealer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008).

§747. Savings Claims; Discounts

A. A savings claim or discount offer is prohibited except to advertise a new or demonstrator vehicle, and the advertisement must show the difference between the dealer's selling price and the manufacturer's, distributor's, or converter's total suggested list price or MSRP.

B. The featured savings claim or discount offer for a vehicle, when advertised, must be the savings claim or discount which is available to any and all members of the buying public.

C. If a dealer has added an option obtained from the manufacturer or distributor of the vehicle on which it is installed and disclosed the option and factory suggested retail price of the option on a dealership addendum sticker prior to offering the vehicle for sale at retail, the dealer may advertise a savings claim on that vehicle as long as the difference is shown between the dealer's selling price and the total selling price as disclosed on the dealership addendum sticker and discloses the factory-available options added in the advertisement. If an option that is added by a dealer is not a factory-available option, a savings claim may not be advertised on that vehicle.

D. Statements such as "up to," "as much as," "from," shall not be used in connection with savings or discount claims.

E. No person may advertise a savings claim or discount offer on used vehicles.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:78 (January 2008), amended LR 36:1550 (July 2010).

§749. Sales Payment Disclosures

A.1. An advertisement that contains any one of the following messages, statements, or terms:

- a. the amount of a down payment, in either a percentage or dollar amount;
 - b. the amount of any payment, in either a percentage or dollar amount;
 - c. the number of payments;
 - d. the period of repayment; or
 - e. the amount of any finance charge;
2. must include the following:
- a. the amount or percentage of the down payment;
 - b. the terms of repayment (the number of months to make repayment and the amount per month) including the amount and due date of any balloon payment;
 - c. the annual percentage rate or APR; and
 - d. the amount of annual percentage rate, if increased, after consummation of the credit transaction.

B. An advertisement which complies with the Federal Truth-In-Leading Act (15 U.S.C. §160 et seq.) and amendments thereto, and any regulations issued or which may be issued thereunder, shall be deemed in compliance with the provisions of this Section. Any advertisement not in compliance with these federal provisions constitutes violation(s) of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:79 (January 2008).

§751. Payment Disclosure—Lease

A. It is an unfair or deceptive act to advertise the offer of a "consumer lease" if the advertisement contains any one of the following two "triggering terms": amount of any payment or a statement of any capitalized cost reduction or other payment required prior to or at consummation or by delivery, if delivery occurs after consummation, without clearly and conspicuously disclosing:

1. that the transaction is a lease in close proximity to and, where applicable, in the same decibel tone as, the amount of the periodic payment;
2. the total amount due prior to or at consummation or by delivery, if delivery occurs after consummation;
3. the number, amounts, and due dates or periods of scheduled payments under the lease;
4. a statement of whether a security deposit is required; and

5. a statement that an extra charge may be imposed at the end of the lease term where the lessee's liability (if any) is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.

B. Except for the statement of a periodic payment, any affirmative or negative reference to a charge that is part of the total amount due at lease signing shall not be more prominent than that disclosure.

C. An advertisement which complies with the Consumer Leasing Act of 1976 (15 USC 1601 et seq.), and amendments thereto, and any regulations issued or which may be issued thereunder, shall be deemed in compliance with the provisions of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:79 (January 2008).

§753. Bait Advertisement

A. "Bait" advertisement, as defined in §707, shall not be used by any person.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:79 (January 2008).

§755. Lowest Price Claims

A. Representing a lowest price claim, best price claim, best deal claim, or other similar superlative claim shall not be used in advertising.

B. A person may not advertise a "meet or beat" guarantee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:80 (January 2008).

§757. Fleet Prices

A. Terms such as "fleet prices," "fleet sales," "suppliers prices," or other terms implying that retail individual customers will be afforded the same price and/or discount as multi-purchase commercial businesses shall not be used in advertising.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:79 (January 2008).

§759. Bankruptcy/Liquidation Sale

A. No licensee may willfully misrepresent the ownership of a business for the purpose of holding a liquidation sale, auction sale, or other sale which represents that the business is going out-of-business. A person who advertises a liquidation sale, auction sale, or going out-of-business sale shall state the correct name and permanent address of the owner of the business in the advertisement. A person may not conduct a sale advertised with the phrase "going out-of-business," "closing out," "shutting doors forever,"

"bankruptcy sale," "foreclosure," or "bankruptcy," or similar phrases or words indicating that an enterprise is ceasing business unless the business is closing its operations and follows the procedures required by Chapter 1, Part II, Title 51, Trade and Commerce, Louisiana Revised Statutes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.E.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Motor Vehicle Commission, LR 34:79 (January 2008).

Chapter 9. Franchised Dealer Requirements

§901. Display Showroom Requirement [Previously §1301]

A. Franchised new motor vehicle dealers must have an enclosed new motor vehicle display showroom of not less than 400 square feet 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.

B. Provided that low speed vehicles as defined from time to time by the Office of Motor Vehicles and exclusive heavy duty truck dealers are not required to maintain a display showroom as required by this Section.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the Office of the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1550 (July 2010).

Chapter 11. Vehicle Repairs and Services

§1101. Definitions [Previously §1501]

A. For the purpose of Chapter 11 only, the following definitions shall apply.

Anticipated Repairs, Services, Labor, and Parts—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.

Necessary Repairs, Services, Parts and Labor—those repairs, services, parts and labor which, in the judgement of the supplier, are required to fully remedy or prevent a defect or malfunction.

Original Estimate—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 25 percent.

Supplier—any new or unused vehicle dealer who furnishes or supplies vehicle repairs and services, either

directly or through the employment of other mechanics or repairmen; provided, however, that vehicle repairs and services performed on vehicles over 20,000 pounds, GVWR are excluded for the purposes of Chapter 11.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1550 (July 2010).

§1103. Unfair Acts and Practices [Previously §1503]

A. It shall be an unfair 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 \$125, 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 service, 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 §1103 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: provided further that the amount of the charge referred to herein shall not be conditioned upon the consumer consenting to performance 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 \$5 for an estimate up to \$200 and not to exceed \$10 for estimate in excess of \$200 if same is made on the premises of the supplier, and notice of this charge must be posted as designated in §1103.A.3;

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 25 percent 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 1 inch in height which reads as follows:

a. Notice to our customers:

i. "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. Our charge for such estimate is \$___ for any job up to \$200 and \$___ for jobs in excess of \$200";

b. 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;

c. provided further that the supplier may at his option, change the \$125 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 25 percent 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.a. 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;

b. the requirements of §1103.A.10.a 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the State Register August 14, 1974, repromulgated April 10,

1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1550 (July 2010).

**§1105. Replaced Parts
[Previously §1505]**

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, October 11, 1960, filed with the State Register August 14, 1974, repromulgated April 10, 1975 to be effective June 9, 1975, amended by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1551 (July 2010).

Chapter 13. New Motor Vehicle Auto Shows

§1301. Authorization for Auto Show

A. The commission may authorize or prohibit motor vehicle sales and shows at offsite locations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1551 (July 2010).

§1303. Application for Show Permit

A. The organizer or promoter of a new motor vehicle auto show shall be required to obtain a license from the commission and its request for a license shall consist of the following:

1. the application shall be on a form prescribed by the commission and shall require such information as the commission deems necessary to enable it to determine the qualifications and eligibility of the applicant;

2 a license fee of \$500;

3. the license shall be for the new motor vehicle auto show subject of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1551 (July 2010).

§1305. Show Requirements

A. The application must be submitted to the commission no less than 60 days prior to the opening date of the event and must include a list of all licensed motor vehicle dealers within the geographical area.

B. Only licensed motor vehicle dealers may conduct sales of motor vehicles at such sales and shows.

C. The show must be for a particular geographical area, not less than a parish. The geographical area cannot include a part of a parish.

D. All licensed motor vehicle dealers within the show's geographical area must be offered the opportunity to participate in the show.

E. A majority of the licensed motor vehicle dealers within the show's geographical area must participate in the event.

F. Each respective manufacturer shall grant authority to the respective dealers participating to conduct the sale or show of motor vehicles at the proposed offsite location.

G. A licensed motor vehicle dealer may participate in only two shows in a calendar year.

H. Not less than 30 days prior to the opening day of the show the commission must receive a list of all participating licensed motor vehicle dealers together with the consent of each respective manufacturer.

I. Participation by a licensed motor vehicle dealer shall include display of vehicles and presence of dealer personnel

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253(E).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1552 (July 2010).

Chapter 18. Recreational Products Trade Show; Definitions, License Fees and Applications; Violations and Regulation

§1801. Definitions

NOTE: This Section has been moved from LAC 46:V.3001.

Display Permit—a temporary license issued to a nonresident exhibitor, to display recreational products at a trade show or exposition. The permit issued shall be for the duration of the trade show only and shall not exceed 14 days.

Local Trade Show—a trade show in which the promoter's initial invitation is limited to Louisiana-licensed dealers within a 30-mile radius around the show location.

Nonresident Exhibitor—a nonresident dealer or manufacturer of recreational products who holds a current dealer or manufacturer license in another state and whose Louisiana business is limited to participation in trade shows or expositions in this state.

Promoter—any person, firm, association, corporation, partnership, limited liability company or trust, who alone or with others assumes the financial responsibility of a recreational products trade show or exposition in which recreational products are displayed by licensed dealers, manufacturers or distributors, or exhibitors as provided herein.

Recreational Products—any new or used recreational vehicle, motorcycle, ATV, or marine product.

Regional Trade Show—a trade show in which the promoter's initial invitation is only limited to Louisiana-licensed dealers and whose subsequent invitations may include any nonresident exhibitor who will display and show any product not displayed or shown by a Louisiana-licensed dealer.

Trade Show—a controlled event in which a promoter charges or barter for booth space and/or charges for spectator entrance in which three or more recreational products dealers exhibit vehicles.

Trade Show Permit—a temporary license issued to a promoter to perform a recreational products trade show.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:783(F)(7).

HISTORICAL NOTE: Promulgated by the office of the Governor, Recreational and Used Motor Vehicle Commission, LR 34:435 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1525 (August 2009).

§1802. License Fees and Applications

NOTE: This Section has been moved from LAC 46:V.3002.

A. Promoters of recreational products trade shows shall be required to obtain a license from the commission and its request for license shall consist of the following:

1. the application for license shall be on forms prescribed by the commission and shall require such information as the commission deems necessary to enable it to determine the qualifications and eligibility of the applicant;

2. a license fee of \$100;

3. a promoter's license shall be for one calendar year and shall expire on December 31.

B. A promoter shall also be required to obtain a trade show permit from the commission and its request for a permit shall consist of:

1. the identity of at least three participants, the start date, ending date, location of the proposed trade show or exposition, and the type of vehicles to be promoted at the trade show;

2. an official designation as to whether the trade show is a regional trade show, with proof supporting that the show facilities have adequate space to host the type of show being permitted;

3. a fee of \$500 per regional trade show;

4. a fee of \$200 per local trade show.

C. A nonresident exhibitor shall be required to provide the following documents to the commission to obtain a display permit to display recreational products in a trade show:

1. an oath or affirmation that the nonresident exhibitor has complied with all registration requirements of the state

in which he conducts his business including any requirements pertaining to posting of bond and demonstration of fiscal responsibility;

2. a notarized copy of the dealer's or manufacturer's current license issued in the state in which he conducts his business;

3. the name, site, and dates of the show or exposition for which a nonresident exhibitor's permit is sought and the name and address of the promoter of that show or exposition;

4. such other pertinent information consistent with the safeguarding of the public interest and public welfare;

5. an application fee of \$100.

D. A Louisiana-licensed recreational products dealer who participates in a recreational products show or exposition shall not be deemed to have an additional place of business at that show or exposition and shall not be charged any permit fees.

E. All applications to the commission for display permits received within five days of that start of the trade show or exposition shall be charged a \$50 late processing fee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:783(F)(7).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Recreational and Used Motor Vehicle Commission LR 34:436 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1526 (August 2009).

§1803. Order of Preference and Priority

NOTE: This Section has been moved from LAC 46:V.3003.

A. The following order of preference shall be observed by the promoter in arranging a regional trade show.

1. The promoter shall first contact all Louisiana-licensed dealers who sell the type of vehicles being promoted, and those Louisiana-licensed dealers who accepted the invitation to attend the show shall exclude all nonresident exhibitors from displaying or showing the particular line of recreational products that they are displaying at the show or exposition. The acceptance of an invitation by a Louisiana-licensed dealer shall be expressed as a signed contract for space and accompanied by any deposits required by the show promoter and shall be performed within a reasonable time following the invitation as required by the promoter.

2. The promoter may then invite any nonresident exhibitor to attend the show or exposition to display and show any product not displayed or shown by a Louisiana-licensed dealer.

B. The following order of preference shall be observed by the promoter in arranging a local trade show.

1. The promoter shall first contact all Louisiana-licensed dealers who sell the type of vehicles being promoted, starting within a 30-mile radius of the proposed show or exposition, and those Louisiana-licensed dealers within a 30-mile radius to the show who accepted the

invitation to attend the show shall exclude all other dealers from outside of 30 miles from displaying or showing the particular line of recreational products that they are displaying at the show or exposition.

2. The promoter may invite but shall accept any requests from a Louisiana-licensed dealer, who is not excluded by the provision above and is beyond 30 miles to attend a show or exposition, and those Louisiana-licensed dealers who attend the show shall exclude all nonresident exhibitors from displaying or showing the particular line of recreational products that they are displaying at the show or exposition.

3. The promoter may then invite any nonresident exhibitor to attend the show or exposition to display and show any product not displayed or shown by a Louisiana-licensed dealer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 783 (F)(7).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Recreational and Used Motor Vehicle Commission, LR 34:436 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1526 (August 2009).

§1804. Violations

NOTE: This Section has been moved from LAC 46:V.3004.

A. It shall be unlawful and shall constitute a violation of this Chapter:

1. for a recreational products dealer or a non resident exhibitor to display or show recreational products at any trade show except as allowed in §1803 above;

2. for a nonresident exhibitor to display or show recreational products at a trade show without first obtaining a display permit;

3. for a promoter:

a. to knowingly allow any dealer or nonresident exhibitor to display recreational products in any manner other than what is allowed in §1803 above;

b. to knowingly allow any dealer or nonresident exhibitor of recreational vehicles to display or show any line of recreational vehicles offered by any licensed recreational vehicle dealer whose franchise area includes the location of the trade show, unless the recreational vehicle dealer whose franchise territory includes the location of the trade show consents to the display;

c. to knowingly allow a nonresident exhibitor to display or show recreational products without having a display permit;

d. to fail to keep all records of attending dealers and sufficient and reasonable proof of the required invitations to dealers and proof that dealers who have declined to attend a trade show or exposition for a period of three years;

e. to allow a manufacturer or distributor, other than a nonresident exhibitor, to exhibit vehicles in any manner other than through a licensed dealer;

PROFESSIONAL AND OCCUPATIONAL STANDARDS

f. to fail to provide to the commission 10 days prior to the trade show a complete list of all dealers participating in the trade show;

4. for a licensed recreational products dealer or nonresident exhibitor to complete a sales transaction (by accepting the purchase funds, completing the paperwork and/or delivering product) for any recreational products at a trade show. Said restriction shall not apply or extend to sales and price negotiation, accepting deposits, setting closing dates, or completing a buyer's order;

5. for a licensed recreational vehicle dealer to knowingly display at a trade show the same line of recreational vehicles as displayed by a licensed recreational vehicle dealer whose franchise territory includes the location of the trade show, unless the recreational vehicle dealer whose franchise territory includes the location of the trade show consents to the display;

6. for a licensed recreational vehicle manufacturer or distributor to exhibit recreational vehicles at a trade show in any manner other than through a licensed dealer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:783(F)(7).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Recreational and Used Motor Vehicle Commission, LR 34:436 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1526 (August 2009).

§1805. Miscellaneous Provisions; Enforcement

NOTE: This Section has been moved from LAC 46:V.3005.

A. If a recreational vehicle trade show is being held in a location where the same line makes or models of recreational vehicles does not have a dealer with a franchise territory, it shall be the manufacturer's responsibility to determine which licensed dealer(s) will represent that same line makes or models at the trade show.

B. The commission shall have authority to issue any orders necessary to enforce the provisions of this Section, including the entry of a cease and desist order which may be enforced in any proper venue including the parish of East Baton Rouge.

C. In addition to the enforcement of any necessary orders, the commission may suspend or revoke any license and/or it may impose a penalty in accordance with R.S. 32:788. In such cases, the affected licensee will be given all notices, opportunity to be heard and rights to appeal as conferred in R.S. 32:785.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:783(F)(7).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Recreational and Used Motor Vehicle Commission, LR

34:437 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1527 (August 2009).

§1806. Off-Site Displays—Marine Products

NOTE: This Section has been moved from LAC 46:V.3006.

A. The commission must approve all off-site displays of new marine products. A request for an off-site display must be received and approved by the commission seven days prior to the commencement of the display.

B. The location of any off-site display must be within the dealer's defined area of responsibility or within his manufacturer's contracted agreement for the make and mode to be displayed.

C. The licensee participating in an off-site display of his product is not required to contract all dealers within a 50 mile radius.

D. Each off-site display of marine products is limited to:

1. one marine dealer;

2. nine days and four displays a year. An off-site display of marine products will be permitted at the same location every six months.

E. The number of vehicles at any off-site display of marine products will be left to the discretion of the commission, with a maximum of 20 vehicles per licensee, per display.

F. The presence of any sales personnel, business cards, brochures, pricing sheets and other points of sales devices will be allowed to answer consumer questions. However, marine products cannot be delivered from that off-site display location.

G. Any licensee participating in an off-site display without the approval of the commission will be in violation of R.S. 32:814(A)(7)(d) and will result in a minimum penalty of \$500 per vehicle, per display for the first offense.

H. A licensee must furnish a liability insurance binder to the owner of the off-site property. The same liability binder with the off-site property and owner listed must be furnished to the commission with the Off-Site Display Form.

I. This policy is separate from the rules and regulations pertaining to trade shows.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:783.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Recreational and Used Motor Vehicle Commission, LR 34:437 (March 2008), repromulgated by the Office of the Governor, Motor Vehicle Commission, LR 35:1527 (August 2009).

DECLARATION OF EMERGENCY

Office of the Governor Motor Vehicle Commission

Manufacturer Termination of Franchise; Liquidation
of New Vehicle Inventory; Warranty Work; Exception
(LAC 46:V.107)

The Louisiana Motor Vehicle Commission (the "Commission") is exercising the emergency provisions of the Administrative Procedures Act, R.S. 49:953(B), and pursuant to the authority granted under R.S. 32:1251 et seq., adopts the following Emergency Rule effective August 16, 2010, and it shall remain in effect for 120 days or until this Rule takes effect through the normal promulgation process, whichever comes first.

The Louisiana Motor Vehicle Commission finds it necessary to adopt this Rule to further implement the provisions of R.S. 32:1268.2. In the country's current economic condition, manufacturers of motor vehicles and recreational products are filing for bankruptcy, discontinuing lines, and ceasing to do business at an alarming rate making it unlawful under state law for dealers to sell their new inventory. R. S. 32:1268.2 was enacted by the legislature to allow previously franchised motor vehicle and recreational product dealers to continue to be licensed under circumstances where the manufacturer is in bankruptcy, is no longer in business, or has terminated in line. This Rule will allow the commission to license the terminated dealer to perform warranty work under an agreement with the manufacturer when a line has been terminated. This will assure the consuming public the availability of a dealer to perform warranty on a terminated vehicle.

Title 46

PROFESSIONAL AND OCCUPATIONAL STANDARDS

Part V. Automotive Industry

Subpart 1. Motor Vehicle Commission

Chapter 1. General Requirements

§107. Manufacturer Termination of Franchise

Liquidation of New Vehicle Inventory; Warranty Work; Exception

A. - A.5. ...

B. At the termination the license issued by the commission may remain in effect or be renewed at the discretion of the commission as a service center to perform warranty repairs on the vehicle under the following circumstances.

1. The dealer shall remain a dealer licensed by the commission.

2. The manufacturer, distributor or factory branch must enter into an agreement authorizing the dealer to perform warranty repairs on the terminated vehicle which agreement will comply with all provisions of R.S. 32:1251 et seq. and the rules and regulations adopted pursuant to this Chapter with regard to warranty work. The agreement must be approved upon execution and annually upon renewal of the dealer's license by the commission.

C. All applications for license under the law shall include evidence that the applicant has such liability protection covering its place of business and its operation that complies with the financial responsibility laws of the

state of Louisiana and as determined by the applicant and its insurance agent that are necessary to provide coverage to the place and nature of the business sought to be licensed to protect the applicant and the consumers of this state.

D. All applications for license as a distributor or wholesaler shall include a copy of its franchise with the person, licensed by the Commission, whose product it will offer for sale to the licensees of the Commission in this state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1253.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Louisiana Motor Vehicle Commission, LR 36:1547 (July 2010), amended LR 36: