



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

Chapter 1. General Requirements

§101. License Required

A. 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).

B. 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.

C. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254 and 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.

§103. Application for License

A. 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.

B. Application Fee. No application will be considered unless accompanied by the fee or fees prescribed by law.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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.

§ 105. Violation of License Requirement

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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.

§ 107. Communication with Commission

A. 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.

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.

§ 109. Powers and Duties of Executive Secretary

A. 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.

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.

§ 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. Hearings

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.

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.

§ 303. Compulsory Attendance of Witnesses

A. 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.

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.

§ 305. Notification of Hearing Decision

A. 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.

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.

§ 307. Appeal

A. 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.

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.

Chapter 5. Salesmen; Dealers; Distributors

§ 501. Licenses for Salesmen

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254 and R.S. 32:1252.

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.

§ 503. Unlicensed Salesmen

A. It is illegal for licensees to employ unlicensed salesmen.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254 and R.S. 32:1252.

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.

§ 505. Licensee Employing Salesmen

A. 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.

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.

§ 507. Pocket License Card

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.

§ 509. Termination of Salesman; Return of Pocket Card and License

A. 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.

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.

§ 511. Unlicensed Salesmen; Prohibition against Use of

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32: 1254 and 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.

§ 513. Display of License

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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.

§ 515. License Prior to Shipment

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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 7. ADVERTISING **(Effective January 20, 2008)**

§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, Louisiana Motor Vehicle Commission, LR 34:75 (January 2008).

§703 General Prohibition

A. A person advertising motor 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, Louisiana Motor Vehicle Commission, LR 34:75 (January 2008).

§705 Specific Rules

A. The violation of an advertising rule shall be considered by the Commission as a prima facie violation of the Louisiana Motor Vehicle Commission Law. 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 violations of the Louisiana Motor Vehicle Commission Law, and shall also be considered violations of the general prohibition.

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 34:75 (January 2008).

§707 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.

Dealership addendum – means 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.

1. The addendum is to disclose:

- a. that it is supplemental;
- b. any added feature, service, equipment, part, or accessory charged and added by the dealership and the retail price therefore;
- c. any additional charge to the selling price manufacturer's suggested retail price (MSRP) such as additional dealership markup; and
- d. the total dealer retail price.

2. 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.

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

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

3. 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.

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

- a. in bold print and type of such size that is capable of being read without unreasonable extra effort;

- b. expressed in terms that are understandable to the buying public; and
- c. 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 Louisiana Motor Vehicle 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.

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 34:75 (January 2008).

§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. Motor vehicle dealers 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, Louisiana Motor Vehicle Commission, LR 34:76 (January 2008).

§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, Louisiana 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," "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 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." 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, Louisiana Motor Vehicle Commission, LR 34:76 (January 2008).

§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, Louisiana 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, Louisiana Motor Vehicle Commission, LR 34:77 (January 2008).

§719 Dealer Price Advertising

A. The featured price of a new or used motor 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 motor 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 \$500.00 OFF

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 34:77 (January 2008).

§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 motor vehicle used in an advertisement must be substantially the same as that of the motor vehicle advertised.

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 34:77 (January 2008).

§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, Louisiana 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, Louisiana 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, Louisiana 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 new motor vehicle.

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 34:78 (January 2008).

§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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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 new motor 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 motor 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 motor vehicles.

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 34:78 (January 2008).

§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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana 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, Louisiana Motor Vehicle Commission, LR 34:79 (January 2008).

Chapter 9. Prohibitions

§901. Prohibition against Unfair Acts

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

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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 11. Amending Rules

§1101. Amending Rules

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

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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 13. Franchised Dealer Requirements

§1301. Display Showroom Requirement

A. 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.

B. Provided that 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. 32:1254.

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 LR 9:543 (August 1983).

§1303. Warranty Work

A. 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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 15. Motor Vehicle Repairs and Services

§1501. Definitions

A. For the purpose of Chapter 15 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 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 Chapter 15.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254.

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.

§1503. Unfair Acts and Practices

A. 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 \$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 §1503 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 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 \$5.00 for an estimate up to \$200.00 and not to exceed \$10.00 for estimate in excess of \$200.00 if same is made on the premises of the supplier, and notice of this charge must be posted as designated in §1503.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 one inch in height which reads as follows:

a. 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;

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 \$125.00 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 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 §1503.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. 32:1254.

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.

§1505. Replaced Parts

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. 32:1254.

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 17. Motor Vehicle Lessor

§1701. Qualifications and Eligibility

A. 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 \$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-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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254 and R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, LR 11:518 (May 1985).

§1703. Definitions

Established Place of Business - 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.

AUTHORITY NOTE: Adopted in accordance with R.S. 32:1254 and R.S. 32:1253.

HISTORICAL NOTE: Adopted by the Department of Commerce, Motor Vehicle Commission, LR 11:518 (May 1985).

