

NEWS and VIEWS

OCTOBER 2006

The Director's Desk....

Roy K. Dockum, Executive Director

Upcoming Dates for Commission Meetings

November 14

December 12

January 9

Meetings Start at 10:00 a.m.

OMVC PROPOSING AMENDMENTS TO RULES

Every year the OMVC reviews its Rules and Regulations to determine if modifications are needed for clarification purposes, deleting obsolete verbiage or general updating.

The proposed *Advertising* amendments are detailed below for your review. There are a few minor amendments to other general rules that are available for inspection via email.

If you have any comments, positive or negative, please direct them to Marilyn or myself. The Board will review and consider all comments before final adoption. All current Rules are available on the OMVC website.

(Underline = new verbiage; Strikethrough = deleted verbiage)

465:15-1-2 Definitions

"**Advertisement**" means an oral, written, graphic, or pictorial statement made in the course of soliciting business, including, without limitation, a statement or representation made contained in a newspaper, magazine, ~~or other publication,~~ or contained in a notice, sign, poster, display, circular, pamphlet, or letter, or on the Internet, radio, or television, or any other type of media.

"**Licensee**" means any entity or person required to obtain a license from the Oklahoma Motor Vehicle Commission.

465:15-3-7. Dealer price advertising

(a) **Selling price.** The most conspicuous price of a new motor vehicle, when advertised by a dealer, must be the full and total selling price for which the dealer will sell the vehicle to any retail buyer. The only charges that may be excluded from the advertised price are: 1) state and local taxes, 2) license, and 3) title.

(d) **Rebates only available to select consumers.** The most conspicuous price or payment of a new motor vehicle, when advertised by a dealer, must be the true price that is available for every consumer. Rebates that are only available to select consumers shall ~~not be deducted from the price or payment, but must be presented as an additional actual savings to this select group.~~ either be presented as additional savings to the select group, or presented as separate prices or payments which clearly identify to whom the price or payment applies.

465:15-3-14. Prohibited statements

(5) A savings claim or discount offer is prohibited except to advertise specific new or demonstrator vehicle vehicles. Statements such as "up to", "as much as", "from", shall not be used in connection with savings or discount claims, unless the vehicle for which the claim is made is clearly identified including stock number. Savings claims can only be offered from the bottom line MSRP sticker price. Discounts shown on the Monroney Sticker Label shall not be included in the advertised discount or savings claim. 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.

(6) The use of the ~~term~~ terms "Free", "Complimentary", or similar terminology is prohibited if a consumer must make a purchase to obtain the "free" offer.

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(10) Statements such as "we pay tag, tax and license", "~~we buy tag, tax and license~~", "~~we pay tag, title and tax~~" or statements with similar meaning shall not be used.

(13) Terminology such as "we will pay off your trade no matter how much you owe" or statements with similar meaning shall not be used, unless accompanied by a disclaimer indicating that pay off amount is added into the contract and is dependent upon approved credit.

If you have any questions or need clarification, please contact Marilyn or myself.

ADVERTISING TIPS

You know the old sayings "just because someone jumps off a bridge, doesn't mean you should" or "two wrongs don't make a right"? Here's a couple of real-life examples of where these adages applied to dealer advertising.

TIP # 1: Do not assume that if your competitor advertising something "illegal" that the Rule has changed. Recently, one dealer began advertising a "guaranteed trade-in amount of \$3000", which triggered a competitor to do similar, which triggered another. Each dealer was cited or fined for their violations.

TIP # 2: If you come up with an "idea" that you haven't seen used for quite a while, it could be because the verbiage is prohibited. For example, a recently "fined" dealer explained that he advertised "Invoice" because no one had been using that for quite some time in his market. We explained to him, the reason he hadn't seen it for a while was because it had been prohibited since 2001.

TIP # 3: Remember, it is not "easier to ask for forgiveness, rather than permission" because if found to be in violation, the OMVC has the authority to fine a dealer up to \$1000 per occurrence.

While the OMVC no longer pre-approves advertisements, we are happy to answer questions. We ask that prior to your inquiry, you first review the Advertising Rules, found on our website, as you may find the answers you seek.

COMMISSION ACTIONS

August 8, 2006

1. \$250 Advertising Fine - Gaston Melon RV Collections, Claremore
2. \$250 Advertising Fine - Joe Cooper Ford of Yukon
3. \$250 Advertising Fine - Joe Cooper Ford of Midwest City
4. \$250 Advertising Fine - Joe Cooper Ford of Shawnee
5. \$850 Unlicensed Salesperson Fines issued to 4 dealers
6. Approved License Applications for 6 Manufacturer/Distributors and 13 Dealers.

September 12, 2006

1. Approved License Applications for 4 Manufacturer/Distributors and 17 Dealers

October 10, 2006

1. \$500 Advertising Fine - Stevens Ford-Lincoln-Mercury, Enid
2. Approved License Applications for 5 Manufacturers/Distributors and 11 Dealers

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