

# TADA Advertising Rule Webinar

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# NEW AND AMENDED DEFINITIONS

# New Definitions 43 TAC § 215.244

(9) Distributor Suggested Retail Price (DSRP)

The total price on the motor vehicle as shown on the Monroney label as provided by **distributor**.

(13) Manufacturer's Suggested Retail Price (MSRP)

The total price on the motor vehicle as shown on the Monroney label as provided by the **manufacturer**.

# New Definitions *cont.*

## (12) Limited Rebate

A rebate that is **not** available to every consumer purchasing or leasing a motor vehicle because qualifying for the rebate is conditioned or restricted in some way.

A rebate that is conditioned or restricted to a purchaser or a resident of the contiguous U. S. is not a limited rebate.

## New Definitions *cont.*

### (17) Savings claim or discount

An offer to sell or lease a motor vehicle at a reduced price, including, but not limited to, a manufacturer's or distributor's customer rebate, a dealer discount, or a limited rebate.

# *Amended* Definition

## (16) Rebate or cash back

A sum of money that is:

1. applied to the purchase or lease of a motor vehicle; or,
2. refunded to the purchaser after full payment is made.

**DEALER PRICE ADVERTISING;  
SAVINGS CLAIMS;  
DISCOUNTS**

# Dealer Price Advertising; Savings Claims; Discounts 43 TAC § 215.250

## *Featured Sales Price*

If advertising a sales price on a new or used motor vehicle, any retail buyer must be offered that featured price.

The featured sales price is before adding or subtracting any negotiated items.

Included in the sales price are destination and dealer prep charges.



# Featured Sales Price *cont.*

Amounts that may be excluded from the featured price are:

1. Registration, certificate of title, or license fees;
2. Taxes; and,
3. Other fees or charges that are allowed or prescribed by law.

*Example: Documentary fee; Temp Tag Fees*

# Featured Sales Price *cont.*

No qualification may be given when featuring a sales price, such as:

1. With trade;
2. With acceptable trade;
3. With dealer-arranged financing;
4. Rebate assigned to dealer; or,
5. With down payment.

# “Internet Price” or similar terms **prohibited**

Advertising an “internet price,” an “e-price,” or using a similar term to create an impression that there is a unique or different sales price for an online or internet purchase is prohibited.

# Savings Claims and Discount Offers

A savings claim or a discount offer can only be advertised on a **NEW** motor vehicle.

A savings claim or discount offer is prohibited to be advertised on a **USED** motor vehicle.

Offer must be available to all members of the buying public.

# Savings Claims and Discount Offers *cont.*

The following statements **cannot** be used to advertise a savings claim or a discount offer:

- “Up to”
- “As much as”
- “From”

## Savings Claims and Discount Offers *cont.*

If advertising a savings claim or discount offer, the amount and type of each incentive must be disclosed.

Show the amount of the savings claim or discount from the MSRP or DSRP, whichever is the applicable total amount as shown on the motor vehicle's Monroney Label.

# Savings Claim or Discount Offers *cont.*

Example:

MSRP/DSRP	\$20,000
Less Dealer Discount	<u>1,000</u>
Sales Price	\$19,000

If advertising a Dealer Discount w/o a Sales Price:

“\$1,000 off MSRP/DSRP” or

“\$1,000 Discount off MSRP/DSRP”

# Savings Claims or Discount Offers *cont.*

## *Rebates*

If a savings claim or discount offer includes only a customer rebate, disclose the rebate from the applicable MSRP/DSRP.

Example:	MSRP/DSRP	\$20,000
	Less Rebate	<u>1,000</u>
	Sales Price	\$19,000

If advertising a customer rebate w/o the sales price:

“\$1,000 rebate off MSRP/DSRP”



# Savings Claims or Discount Offers *cont.*

## *Option Packages*

If a savings claim or discount offer includes an option package discount, that discount is disclosed **above** the applicable MSRP/DSRP and discounted from a total that includes the option package.

Example:	Total Vehicle Plus Options	\$20,000
	Option Package Discount	1,000
	MSRP/DSRP, as applicable	\$19,000
	Less Rebate	1,000
	Less Dealer Discount	<u>1,000</u>
	Sales Price	\$17,000

## Savings Claims or Discount Offers *cont.*

### *Option Packages cont.*

If advertising an Option Package Discount without the sales price:

“Total Savings \$3,000 (\$1,000 Option Package Discount;  
\$1,000 Rebate; \$1,000 Dealer Discount off MSRP/DSRP)”

# Savings Claims or Discount Offers *cont.*

## *Limited Rebates*

A limited rebate **cannot** be included in a featured sales price or savings claim/discount advertisement.

A limited rebate is advertised **below** the featured sales price:

MSRP/DSRP, as applicable	\$20,000
Less Rebate	1,000
Less Dealer Discount	<u>1,000</u>
Sales Price	\$18,000

FIRST TIME BUYERS RECEIVE ADDITIONAL \$500 OFF

# Savings Claims or Discount Offers *cont.*

## *Limited Rebates and the Internet*

If multiple limited rebates are available, each limited rebate may be shown on the internet advertisement if a potential buyer can “click” on the limited rebate to view the applicable sales price.

Example: Additional Available Limited Rebates (Click applicable box or boxes for Sales Price)

- HISD Teachers Receive Additional \$500 Discount
- Active Duty Military Receive Additional \$500 Discount
- D/FW Residents Receive Additional \$500 Discount
- Loyalty Owners Receive Additional \$500 Discount
- “X” Financing Receive Additional \$500 Discount

Sales Price with Selected Discounts \$\_\_\_\_\_.

# Savings Claims or Discount Offers *cont.*

## *Dealer Added Options*

**Non-manufacturer and non-distributor** available options added to a motor vehicle by a dealer **cannot** be advertised with a dealer discount.

If a dealer adds a **manufacturer or distributor available option** and discloses that option on a dealership addendum, the dealer may advertise a dealer discount:

MSRP/DSRP	\$20,000
Total Dealer Installed Factory Options	<u>1,000</u>
Total	\$21,000
Less Dealer Discount	<u>500</u>
Sales Price	\$20,500

# Trade-In Allowances 43 TAC § 215.253

## Book Value Advertising Prohibited

No guaranteed trade-in amount or range is allowed.

Referencing an advertised “book value” such as “blue book,” “black book,” or any other similar language indicating an established retail value or starting price point for a used motor vehicle **cannot** be advertised.

# FREQUENTLY ASKED QUESTIONS

# Advertising “Starting At” or “Starting From”

1. Can I advertise “starting at” or “starting from” in a price advertisement?

No. An advertised price is a price that is available to everyone and the featured price must comply with the formula requirements discussed above that show the MSRP/DSRP and any available discounts or rebates with a sales price.

43 TAC § 215.250



# Cost or Invoice Price Advertising

2. Can I reference the invoice or advertise the dealership's cost in my advertisement?

No. The terms "dealer's cost" and "invoice" or "invoice price" cannot be used in advertising.

43 TAC § 215.252

# Third-Party Internet Providers

3. What do I do if my third-party internet provider claims it cannot comply with the state's advertising rules?

Inform the internet provider that the dealership is responsible for compliance with the Texas Department of Motor Vehicles' advertising rules and regulations. A violation could result in the imposition of a penalty.

Explore other available layout options that are compliant with the rules and regulations.

# Advertising “No Credit Application Rejected”

4. Can I advertise “no credit application rejected”?

No. A dealer may not imply that every credit purchaser is accepted. To advertise that no credit application is rejected implies that no customer will be rejected based on their credit.

43 TAC § 215.247

# “Clear and Conspicuous” Internet Disclosure

5. Can I advertise a disclosure on the internet with a click or hover?

In internet advertising, a disclosure may be compliant if:

1. The viewer hovers a mouse or cursor on highlighted text or images that shows an immediate and legible visible disclosure;  
or
2. Only one click on select text or image is required to view the disclosure **AND** the internet advertisement clearly and conspicuously indicates where to hover or click for the disclosure **AND** it is in close proximity to the information being disclosed.

43 TAC § 215.246

*See also* FTC’s .com disclosure information

# Sales Price Advertised without Discount or Rebate

6. Can I advertise a sales price without showing the formula?

Yes. The advertised sales price must be available to any purchaser; however, if a rebate or discount is discussed in the advertisement, the formula showing how the sales price was derived must be shown in the advertisement.

43 TAC § 215. 250

# Sales Price and Vehicle Identification

7. What is the required vehicle identification information when a sales price is advertised?
  - A. Model Year;
  - B. Make of Vehicle;
  - C. Model line and style or model designation; and,
  - D. If the vehicle is a used, demonstrator, or factory executive/official vehicle.

A photograph or other representation of the motor vehicle must be of the advertised vehicle or substantially the same as the advertised vehicle.

43 TAC § 215.251

# Advertising Used Motor Vehicles

8. How do I advertise a used motor vehicle?

Identify the advertised vehicle as “used” or “pre-owned.”

Terms such as “program car,” “special purchase,” “factory repurchase,” or other similar terms do not identify the vehicle as “used.”

43 TAC § 215.254

# Meet or Beat Advertising

9. Can the dealership advertise that it will “meet or beat” anyone’s price?

If a “meet or beat” guarantee is advertised, the advertisement must clearly and conspicuously **disclose the conditions and requirements** that are necessary in order for a person to receive the offer or guarantee.

“**Clear and conspicuous**” requires that the conditions and requirements be disclosed in a size, color, contrast, or audibility as to be readily noticed and understood. All language and terms, including abbreviations must be commonly used and understandable.

43 TAC § 215.266; § 215.244



# Advertising a Percent off MSRP/DSRP

10. Can the dealership advertise a percentage off of MSRP/DSRP in lieu of a specific dollar amount off of MSRP/DSRP, such as “20% off of MSRP/DSRP”?

This type of advertisement is permissible **if** the formula or breakdown is shown in the advertisement:

“2017 Vehicle 25% off MSRP/DSRP

MSRP/DSRP \$20,000: Dealer Discount \$3,000, Manufacturer’s  
Rebate \$2,000 = Sales Price \$15,000

Stock No. 1234”

43 TAC § 215.250

# Conditional Offer and Conditional Sales Price

11. Can an advertisement state a “conditional offer” or a “conditional sales price”?

Example:	MSRP/DSRP	\$20,000
	Dealer Discount	<u>1,000</u>
	Dealer Price	\$19,000
	Conditional Offer	<u>1,000</u>
	Conditional Sales Price	\$18,000
	Total Savings	\$ 2,000

No. If an offer or sales price is not available to any retail buyer, it must be shown below the sales price.

43 TAC § 215.250

# How do I file a complaint with the TxDMV?

12. You now have the option to file a complaint on-line by going to [www.txdmv.gov](http://www.txdmv.gov) or you may mail in a complaint with attachments to the following address:

Texas Department of Motor Vehicles  
Attn: Enforcement Division  
4000 Jackson Avenue  
Austin, TX 78731

# What if I receive a complaint letter from TxDMV?

13. If it is a first time advertising violation, an opportunity to cure the violation is given.

(§ 2301.203(c))

A retraction notice may be required.

(43 TAC § 215.270)

A subsequent violation of the same advertising provision allows a Notice of Department Decision with a penalty.

**THANK YOU  
FOR YOUR ATTENTION**