Title 30: Professions and Occupations

Part 1301: Administrative Regulations for the Mississippi Motor Vehicle Commission.

Part 1301 Chapter 1: Damage Disclosure

Rule 1.1 Damage Disclosure. On any vehicle, corrected damage exceeding six percent (6%) of the manufacturer's suggested retail price, as measured by retail repair costs, must be disclosed in writing prior to dealer transfers and consumer deliveries. Damage to glass, tires and bumpers and any damaged components or options which can be replaced by identical components are excluded from the six percent (6%) regulation when replaced by identical manufacturer's original equipment.
This regulation does not waive or alter any requirements or obligations which may be created by other Federal or State laws and regulations.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Part 1301 Chapter 2: Delivery and Preparation Obligations to Dealers

Rule 2.1 Delivery and Preparation Obligations to Dealers. Delivery and preparation obligations of dealers: schedule and reasonableness of compensation for work and services of dealers in connection with such obligations: Filing: Compensation of dealers for labor, parts, and parts and / or incidental expenses with regard to factory warranty agreements.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.2 Definitions. As used herein:

1. The term "Act" means the Mississippi Motor Vehicle Commission Act.
2. The term "Commission" means the Mississippi Motor Vehicle Commission.
3. The term "Consumer" means the first purchaser or retail buyer of a vehicle from the dealer for the purposes other than resale.
4. The term "dealer" means "motor vehicle dealer" as defined in Section 3(2) of the Act.
5. The term "delivery and preparation obligations" means all work and services performed on vehicles by dealers in fulfilling the reasonable requirements for such work and services by manufacturers prior to the delivery of such vehicles to consumers.
6. The term "manufacturer" means "manufacturer", "distributor", "wholesaler", "factory branch", or "distributor branch" as defined in Section 3 of the Act.

7. The term "vehicle" means a new motor vehicle or one within the period of factory warranty.
8. The term "warranty work" means all work and service performed and all parts installed by dealers on vehicles in which are reasonably incurred by dealers (other than the expenses incurred in performing work and services and installing parts on vehicles) in fulfilling warranty obligations of manufacturers to consumers, including but not limiting to the expense of shipping or returning defective parts to the manufacturer when required by the manufacturer, and the expenses of long distance telephone calls or telegraphic messages to the manufacturer concerning defective parts or other matters with respect to warranty work.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.3 Rule 2.4 thru 2.10 of the regulations are based on Sections 6A (9) of the Act.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.4 Duty of manufacturers to specify delivery and preparation obligations of dealers. Each manufacturer shall specify in writing the reasonable delivery and preparation obligations of its dealers with respect to vehicles to which the obligations are applicable prior to delivery of such vehicles to consumers.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.5 Duty of dealers to perform delivery and preparation obligations. It shall be the duty of dealers to perform their delivery and preparation obligations with respect to vehicles in accordance with the reasonable requirements of the manufacturer thereof prior to delivery of such vehicles to consumers.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.6 Payment to motor vehicle dealers for performance of their delivery and preparation obligation. It is legislative intent of the Act that the work and services performed by dealers as required of them by their manufacturers in preparing vehicles for delivery to the ultimate consumer is a continuation and finalization of the manufacturing and inspection process by such dealers for such manufacturers, and that since subsection A(9) of Section 6 of the Act is mandatory in its requirement that manufacturers shall pay their dealers a reasonable sum for such work and services any device used by such manufacturers to avoid such payment shall be deemed a violation of the letter, spirit and intent of the Act. Each manufacturer with respect to vehicles upon such work and services are preformed shall make payment within the time and in the manner following.

1. Payment shall be made either in cash or by check, or, if a dealer is from time to time routinely indebted to the manufacturer in the normal course of business, by a credit to the dealer's account.
2. Payment shall be made or credit allowed, as the case may be, within 30 days from the date the dealer's statement for such work and services is approved.

3. If payment is made by way of credit, or partly by the way of credit and partly by cash or check, the dealer shall be mailed a credit memorandum in the amount of the credit within 30 days from the date the dealer's statement for work and services if approved.
4. Dealers' claims for such work and services shall be either approved or disapproved within 30 days after their receipt by the manufacturer, its agents, or employees, and when any such claims are disapproved, the dealer who submits the same shall be notified in writing of their disapproval within said period of time, and such notice shall state the specific grounds upon which the disapproval is based.

Source: *Miss. Code Ann. § 63-17-69* (Rev.1983).

Rule 2.7 Delivery and preparation obligations and statement of compensation; filing; and reasonableness of compensation. Each manufacturer shall file with the Commission a copy of the written delivery and preparation obligations of its motor vehicle dealers and all statements of compensation to be paid to such dealers for the work and services they shall be required to perform in connection with such delivery and preparation obligations 60 days before such delivery and preparation obligations and statements of compensation become applicable.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.8 Determination of reasonableness of compensation. Compensation to be paid to the dealers for performing work and services in connection with their delivery and preparation obligations shall be deemed prima facie reasonable if arrived at in the following manner:

1. Time Allowances: Each manufacturer shall make time studies in determining the time required to perform each function required of a dealer in performing his delivery and preparation obligations. The aggregate time requirements for all such functions shall be expressed in hours or fractional parts of an hour. The time studies shall be:
    a. Conducted by competent persons experienced in making such studies;
    b. Conducted by timing mechanic or technicians of average ability and speed; conducted under average dealership conditions using standard hand-tools, recommended special service tools and standard dealer equipment such as hoists, floor jacks, and stands, avoiding shortcuts or methods which could result in poor workmanship and avoiding the use of special time-saving tools such as impact wrenches.

After the aggregate time for all functions has been thus determined, additional time allowances shall be made for shop and mechanic operating variables based on invoice pricing as follows:

*Invoice Price	Additional allowance	*Invoice Price	Additional allowance	*Invoice Price	Additional allowance
$2000 & Under	.0	$3201-3600	.4	$4801-5200	.8
$2001-2400	.1	$3601-4000	.5	$5201-5600	.9
$2401-2800	.2	$4006-4400	.6	$5601-6000	1.0
$2801-3200	.3	$4401-4801	.7	$6001-up	1.0

*Net dealer price of car, options and accessories.

2. Hourly labor rates. The hourly rate for each manufacturer shall pay its dealers in connection with the performance of their delivery and preparation obligations shall be their dealers' approved chassis warranty labor rate in effect on the date of the performance of such work compensation to be paid by the manufacturer to their dealers for their work and services in connection with their delivering and preparation obligations shall be arrived at by multiplying the time allowance arrived at under the provisions of subsection one of the Rule 2.8 times the hourly rate mentioned in the proceeding subsection.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.9 Statement of Compensation. There shall be incorporated in all statements of compensation required to be filed under the provisions of Rule 2.7 or this rule:

a. The time allowances arrived under the provisions of subsection one of this Rule 2.8; and
b. The method of arriving at an hourly labor rate to be used in computing the amount to be paid dealers for their work and services in connection with the performance of their delivery and preparation obligations.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.10 Payments to dealers for parts, work and services not shown on statements of compensation. When it becomes necessary for dealers, preparatory to their delivery of vehicles to the consumer, to perform work and services and install parts not included in the manufacturers' statements of compensation mentioned in Rule 2.9 of these regulations, such work, services and parts shall be paid for by the manufacturers as warranty work in accordance with the requirements hereinafter set forth, provided that the necessity for the performance of such work and services and the installation of such parts is not proximately caused by the negligent act or acts of dealers or their agents or employees.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.11 Warranty Work.

1. This Rule 2.11 and Rules 2.12 and 2.13 of these regulations are based on Section 6A(10) of the Act.
2. Mandatory REQUIREMENTS OF ACT: Section 6A(10) of the Act makes it mandatory:
   a. The manufacturers adequately and fairly compensate their dealers for I) the labor they perform, II) the parts they use, and III) the incidental expenses they incur in connection with their performance of warranty work; and
   b. That manufacturers pay to their dealers who perform warranty work for them a labor rate per hour for such work not less than that charged by any such dealer to its retail customers.
3. Determination of adequacy of compensation for warranty work. Compensation to be paid dealers for performing warranty work, excluding parts used, shall be deemed prima facie adequate and fair if arrived at in the following manner:

a. The time allowance for warranty work. Each manufacturer shall make time studies in determining the time required to perform each function required of a dealer in performing his warranty work. The time requirements for each such function shall be expressed in hours or fractional parts of an hour. The time studies shall be:
   i) Conducted by competent persons experienced in making such studies.
   ii) Conducted by timing mechanics or technicians of average ability and speed;
   iii) Conducted under average dealership conditions using standard hand-tools, recommended special service tools and standard dealer equipment such as hoists, floor jacks and stands, avoiding shortcuts or methods which could resulting in poor workmanship and avoiding the use of special timesaving tools such as impact wrenches.

   After the time for each function is thus determined an additional time allowance of not less then 16% on passenger and light-duty trucks and not less then 20% on medium and heavy-duty trucks shall be added to the actual time recorded for each function as an allowance for shop and mechanic operating variables. No time allowance of less then two-tenths (2/10) of an hour shall be fixed regardless of the time required in performing the function involved.
b. Determination of hourly labor rates for warranty work. Each manufacturer shall determine the labor rate per hour charged by their dealers to the retail customer of such dealers in the normal course of business, and it shall be the duty of such dealers to cooperate with such manufacturers in making this determination. The hourly rate thus determined shall be both the maximum and minimum rate used in computing the warranty work, excluding parts used.
c. Computation of compensation. The amount of compensation to be paid by the manufacturers to their dealers for their warranty work, excluding parts used, shall be arrived at by multiplying the time allowance arrived at under the provisions of subsection 3a of this Rule 2.11 times the hourly rate determined under the provisions of subsection 3b of this Rule 2.11.
d. Parts. The price to be paid by manufacturers to their dealers who install parts in connection with the performance of their warranty work shall be the actual cost to such dealers for said parts plus 25% of said actual cost of said parts.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.12 Incidental expenses. Manufacturers shall pay their dealers the actual amount of the incidental expenses incurred by them in connection with the performance of their warranty work.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.13 Payment to dealers for warranty work, parts and incidental expenses. Manufacturers shall make payment to each of their dealers for the performance of their warranty work, their warranty parts used and the actual amount of the incidental expenses they incur with respect thereto within the time and the manner following.

1. Payment shall be made either in cash or by check, if dealer is from time to time routinely indebted to the manufacturer in the normal course of business, by a credit to the dealers account.
2. Payment shall be made or credit allowed as the case may be, within 30 days from the date the dealer's statement for such work, and services is approved.
3. If payment is made by way of credit, or partly by the way of credit and partly by cash or check, the dealer shall be mailed a credit memorandum in the amount of the credit within 30 days from the date the dealer's statement for such work and services is approved.
4. Dealer's claim for payment shall be either approved or disapproved within 30 days after their receipt, and when any such claims are disapproved the dealer who submits the same shall be notified in writing of their disapproval within said period of time, and such notice shall state the specific grounds upon which disapproval is based.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 2.14 This regulation shall take effect and be in force from and after February 1, 1972.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 3: Off Premises Display and Sale Guidelines

Rule 3.1 Displays away from premises, except as otherwise provided in subdivisions (1) of the Rule. A dealer shall make all displays at the licensed established place of business.

1. A dealer may conduct display(s) at additional locations subject to a phone call to the Commission Director, followed up with a letter stating the place and dates, and a copy of your territory assigned by the factory or distributor.
    a. The off premises display is held in your territory, assigned by the factory or distributor.
    b. Display vehicle and / or vehicles not for sale must be locked and unattended without literature.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 3.2 Off-Premises Sales Guidelines (Amendment: (Rule 3.4)(D)(Effective 4-18-97). Sales away from premises. Except as otherwise provided in Rule 3.3 and 3.4 of this rule, a dealer shall make all sales at the licensed established place of business.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 3.3 A dealer may make a sale at the home of place of business of a customer.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 3.4 A dealer may conduct sales at additional location subject to written authorization issued by the Mississippi Motor Vehicle Commission. Such authorization will be considered if:

A. Must have written approval from factory or distributor giving permission to participate in the sale, a copy of your territory assigned by the factory or distributor, and a copy of the written agreement with the location owner / lessor. Copies of the written approvals must be in the Motor Vehicle Commission Office at least 15 days prior to the 3rd Wednesday of the month.
B. The off premises sale is held in your territory, assigned by the factory or distributor.
C. The dealership man a booth or desk at the away from premises location which has the dealers name prominently displayed and at which location written authorization from the Commission kept throughout the sale.
D. The dealer can participate in 2 away sales within a calendar year.
E. The sale is to be of 10 days duration or less. 12 hours prior to start of the sale and 12 hours immediately following termination will be allowed for assembling and dismantling respectively.
F. Neither the dealer nor the away from premises location is presently on probation.
G. No request will be approved beyond 60 days prior to the sale.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 3.5 Satellite location: an extension of the primary location, within the territory assigned by the manufacturer and / or distributor, (excluding heavy truck, specialty vehicles, & motorcycles).

A. The dealer must have:
   (1) Written approval from the factory and / or distributor giving permission to build a satellite location;
   (2) Planning volume for new vehicles at this location;
   (3) and written authorization issued by the Mississippi Motor Vehicle Commission. Such authorization will be issued when the satellite guidelines are met.
B. Satellite Facility Guidelines:

Total Car & Light Truck Planning Vol.	Show Room Units	Show Room Sqaure feet	Office Square Feet	Parts Square Feet	General Service Units	Total Square Feet
50	2	800	600	900	4	4,800
100	3	1200	600	1200	5	5,900
150	3	1200	600	1500	6	6,800
200	3	1200	1000	1700	7	7,900
250	3	1200	1000	1900	8	8,500
300	4	1600	1500	2300	10	14,600
400	4	1600	1600	2800	12	16,400
500	4	1600	2000	3300	14	18,200

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 4: Vehicle Advertising

Rule 4.1 Rule four establishes standards of practices setting forth certain basic principles in advertising the sale and lease of new and used motor vehicles. These standards apply to advertisements both in the print and electronic media.

It is the objective of these standards to implement the intent of the legislature by providing for the regulation of the advertising by licensed new motor vehicle dealers, manufacturers, and distributors, in the interest of furthering truthful and accurate advertising practices for the benefit of the citizens of the State of Mississippi.

The foundation for these standards lies in the Better Business Bureau's "Code of Advertising", the basic principles of which are:

a. The primary responsibility for truthful and non-deceptive advertising resets with the advertiser. Advertisers must be prepared to substantiate any or offers made before publication of broadcast and, upon request, present such substantiation.
b. Advertisements which are untrue, misleading, deceptive, fraudulent, untruthfully disparaging of competitors, or insincere officers to sell, shall not be used.
c. Advertisements should advise customers of facts and qualities of a product that will allow a more intelligent choice.
d. An advertisements as a whole may be misleading although every sentence separately considered is literally true. Misrepresentation may result not only from direct statements but by omitting or obscure material facts.

   Advertisers, advertising agencies and media should also be sure that they comply with Federal, State, and local laws and regulations as they relate to advertising and selling practices.

   The FTC regulates credit advertising under the federal Truth-In-Lending Act: Regulation Z. Consumer leasing is regulated under Truth-In- Lending Act: Regulation M. The Attorney General's Office operates under broad powers that simply say, "Unfair methods of Ant Trade or Commerce are Unlawful". Included following the standards outlined in Chapter 4 are samples of Regulation Z and M and a few examples of both proper and improper ads.

   Amended 8-15-99

1. Bait Advertising: "Bait" advertising is an unfair and deceptive practice and shall not be used by any Licensee. Bait advertising is an alluring but sincere offer to sell a product, the primary purpose of which is to obtain leads to persons interested in buying merchandise of the type advertised and to switch consumers from buying the advertised product in order to sell some other product at a higher price or on a basis more advantageous to the advertiser. Advertising a new motor vehicle at a price which does not include all equipment listed as standard equipment by the manufacturer or distributor without disclosing such fact, or eliminating any such equipment for the purpose of advertising a low price and "baiting" the customer into changes above the advertised price is prohibited as misleading and deceptive.
2. Availability of Vehicles: Where a specific vehicle is advertised by a dealer as being for sale, that vehicle should be in the possession of the dealer and should be willingly shown and sold as advertised, illustrated, or described at the advertised price and terms, at the advertised address. A dealer should have on hand a reasonable expectable public demand of all vehicles advertised with the equipment advertised at the price advertised. If an

advertisement pertains to one specific vehicle only, this face should also be disclosed and a stock number identifying the vehicle should be disclosed in the advertisement. In the event that a dealer does not have a reasonable expectable public demand of vehicles advertised, the advertisement should disclose that quantity is limited. This provision should not be construed to prohibit general advertising of vehicles by a manufacturer or distributor and the inclusion therein of the names and address of the dealers selling such vehicles in the particular area.

3. Untrue Claims: The following statements shall not be used in any advertising by any dealer:
    a. Statements such as "write your own deal", "name your own price", "name your own monthly payments", or statements with similar meaning.
    b. Statements such as "everybody financed", "no credit rejected", "we finance anyone", all application accepted and other similar statements representing or implying that no prospective credit purchaser will be rejected because of his inability to qualify for credit.
    c. Statements representing that no other dealer grants greater allowances for trade-ins, however stated, unless such is the case and information is provided to the Commission before the ad is run.
    d. Statements representing that because of its large sales volume a dealer is able to purchase vehicles for less than another dealer selling the same make of vehicles, unless such is the case and information is provided to the Commission before the ad is run.
4. Inclusion in Price and Add-ons: When the price of a vehicle is advertised in a local media, the vehicles shall be fully identified as to year, make, model, and if new, used, or lease. In addition, the stated price must include all charges which the customer must pay for the vehicle, including but not limited to "freight" or "destination charges", "dealer margin", and "undercoating or rust proofing" if the vehicle is already so equipped. The advertised price need not include state and local taxes, tags, registration, title fees, and insurance.
5. Minimum Trade in Allowances: Since the amount of trade in allowance will vary depending on the condition, model, and age of a buyer's vehicle, no specific trade-in amount or range or amounts shall be used in advertising.
6. Disclosure of Material Facts: Any disclosures about material facts which are contained in advertisements and which involve types of vehicles and transactions must be made in a clear and conspicuous manner to minimize the possibility of misunderstanding by the audience. Factors to be taken into consideration include, but are no limited to, ad layout, headlines, illustrations, type size, contrast, crawl speed, and editing. Commonly know abbreviations may be used in advertising; however, those not known generally known shall be avoided.
7. An Asterisk: An asterisk may be used to give additional information about a word or term; however, use of one or more footnotes or asterisks which, alone or in combination, contradict, confuse, materially modify or unreasonably limit a principal message of the ad should not be used.
    a. Used vehicles –vehicles of the current and any preceding model year which are "used" shall be clearly identified as such.

b. Whenever any advertisement relates to a lease, the advertisement must make readily apparent (in the body of the ad and not the disclaimer) to the audience that the transaction advertised is a lease.
c. Credit terms-when lease terms are advertised, they must comply with the specific disclosure requirements of the credit advertising provisions of the "Truth in Lending" Act and Regulation Z.
d. Lease terms-when lease terms are advertised, they must comply with the specific disclosure requirements of the lease advertising provisions of the "Truth in Lending" Act and Regulation M.
e. Television disclosures-any disclosure appearing in television advertisements must clearly feature all necessary information in a manner that can be read and understood.

8. Disclosure in invoice ads: The term "invoice", "factory invoice", "dealer invoice" or "dealer cost" shall not be used as a reference price (such as, UT not limited to, $100 over invoice or dealer cost).
9. Discounts: When an automotive advertisement contains an offer of a discount on a new vehicle, the amount of such discount must be stated who is giving the discount by reference to the actual dollar figure to the manufacturer's suggested retail price of the vehicle. Discount must not imply the selling price to be below the dealer cost.
10. Rebate, cash rebate, cash incentives or similar terms offers: The terms "rebate", "cash rebate", cash incentives or similar terms may be used only when it is clearly stated who is making the payment. Such advertisements must also state that "may affect final negotiated price" and customer has the option to determine how it is applied in the sale process. Rebates, cash rebate, cash incentives or similar terms must not imply the selling price to below dealers cost.
11. Free Offer:
    A. The word "Free" may be used in advertising whenever the advertiser is offering an unconditional gift.
    B. The "Free" offer must be temporary; otherwise, it would become a continuous combination offer, no part of which is free.
12. Buy-Down Interest Rates: No buy-down interest rate may be advertised if any of the costs of securing the buy-down are passed on to the customer in any way, unless the dealer discloses that contribution by the dealership may increase the negotiated price to the consumer.
13. List or Sticker Price: Where is words "list" or "sticker" or words of similar import are used in a new automotive advertisement, they should only refer to the actual dollar figure of the manufacturer's suggest retail price.
14. Special Status of Dealership: An automotive advertisement should not falsely imply that the dealer has a special sponsorship, approval status, affiliation, or connection with the manufacture that is greater or more direct than any other like dealer.
15. Claims of Under Selling: Any automotive advertisements which makes under selling claims should be capable of being substantiated.
16. Price Equaling: An advertisement which expresses a policy of matching or bettering competitors' prices should fully disclose any conditions which apply and specify what evidence a consumer must present to take advantage of the offer. Such evidence should not place an unreasonable burden on the consumer such as producing a signed contract

from another dealer or requiring the consumer to find a vehicle with such identical features that the possibility of doing so is highly unlikely.

17. Manufacturer's Suggested Retail Price: The suggested retail price dollar figure of a new motor vehicle when advertised by a manufacturer, distributor or regional ad association shall include all costs and charges for the vehicle advertised, except that destination, and state and local taxes, title, and license fees may be excluded from such price, provided that the advertisement conspicuously states that such costs and charges for the vehicle advertised including destination charges, and may exclude only state and local taxes, license, title fees and insurance.
18. Lease, Balloon or Residual Advertisements: Vehicle lease advertisements shall clearly and conspicuously disclose that the advertisement is for the lease of a vehicle.
    And no balloon or residual notes is due at expiration of the lease and the customer has the option to buy the vehicle at the residual price, or turn vehicle in.
19. Consolidated Loans: Credit terms which purport to consolidate other bills with new car financing, shall not be advertised.
20. Van Conversion Advertisements: In the case of a modified vehicle, such as a converted van, the dealer may advertise using the conversion firms name and refer to the chassis manufacturer, but in no case should the dealer advertise vans solely by a chassis manufacturers name unless enfranchised to sell that make of vehicle.
21. Demonstrators, Executives, Officials, and Program Vehicles: The word "demonstrator" shall be understood to refer to a vehicle which has never been sold or leased to a member of the public. This term shall include vehicles used by new motor vehicle dealers or their personnel for demonstrating performance ability but to vehicles purchased and used for their personal vehicles. Demonstrators may be advertised for sale as such only by a dealer franchised for the sale of such make of new vehicles. "Executives" "Officials" or "Program Vehicles", when so advertised, shall have been used exclusively by executives of the dealer's franchising manufacturer or distributor, or by any executive of the franchised dealership. These vehicles, so advertised, shall not have been sold or leased to a member of the public prior to the appearance of the advertisement. "Demonstrators", "Executives", and "Officials" vehicles shall be clearly and prominently qualified as such in immediate conjunction with year, make, and model offered.
22. Auction: Terms such as "Auction", or "Auction Special" and other terms of similar import shall be used in connection with vehicles offered or sold at a bona fide auction and auctioneer license number given.
23. Layout: Type Size: The layout, headlines, illustrations, or type size of a printed advertisement and the broadcast words or pictures of radio / tv advertisements shall not covey or permit an erroneous or misleading impression as to which vehicle or vehicles are offered 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 qualifications shall be clearly, conspicuously, and accurately set forth if they are
    a. In bold print and type of such that is capable of being read without unreasonable extra effort;
    b. Expressed in terms that are understandable to the buying public;
    c. In close proximity to the qualified representation and not separated or buried by asterisk in some other part of the advertisement.

24. Liquidation Sale: Use of the terms "Liquidation Sale", "Public Notice", "Public Sale", or similar terms used to connote or imply a court ordered or other forced liquidation of assets shall not be advertised, unless such is the case.
25. Changes in Monthly Payments: Condition(s) involving a change of monthly payments, must be readily apparent (in the body of the ad that's applicable) – size 10 points and must not be referenced by an asterisk and / or footnote.
26. Deferred Payments: No advertisement shall offer to defer the first payment on a credit sale or lease beyond the historic and accepted 45 days selective maturity date unless such advertised states with equal prominence the fact that the purchaser's own money or equity will be used in implementing such deferred payment plan. (Exception: National manufacturer and or distributor payment plan)
27. Rebates, Cash Back, Cash Incentives, etc….: When advertising an amount to be returned to the buyer, the buyer must be made aware that they have the option to determine how the dollar figure is to be used in the sale or lease.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 5: Changes in Dealership

Rule 5.1 Name Change. Whenever a licensee of the Commission changes the name under which license was issued, the licensee shall provide written notice of the name change to the Commission prior to the effective date of the name change, and the Commission shall make the appropriate notations in its records.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 5.2 Corporate Ownership Change. Any change in stock ownership in a corporate licensee of the Commission shall be reported to the Commission, in writing, within five (5) days of the manufacturer's approval of the change. If the change is stock ownership involves a person or entity that was not among the principals in the initial application, or in any application on file with the Commission, the Commission may require information regarding the financial standing and business integrity of the new stock owner.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 6: Standard for a Salesperson

Rule 6.1 Amendment.

a. Criteria for Securing a Salesman License. Employed by or provide services to a Motor Vehicle Dealer relating to the sales or lease of new motor vehicles.
b. Good moral character, honesty, high ethical standards.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 6.2 Conduct which is presumptively does not meet these standards include conduct that resulted in:

1. Conviction of a felony.

2. Conviction of a misdemeanor involving misrepresentation dishonest conduct or breach of fiduciary duties.
3. Termination of previous employment for dishonest conduct.
4. Repetitive violations of law.
5. Civil penalties for fraud or misrepresentation.
6. Subject to cease & desist order prescribing misrepresentation or failure to disclose.
7. Adjudicated to have misrepresented or failed to disclose material facts in a court or administrative proceeding.

Any applicant who is subject to any of the foregoing actions shall be given an opportunity to appear before the Commission to present any mitigating circumstances.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 6.3 Effective December 21, 2004

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 7: Vehicle Protection Product Warrantors Administrative Rules

Rule 7.1 Authority (Effective July 1, 2007, House Bill 844) The rules are promulgated under the authority of the Mississippi Motor Vehicle Code §63-17-69 and House Bill 844, Section 13.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983) and House Bill 844, Section 13.*

Rule 7.2 Definitions. The following words and terms, when used in the rule, have the following meanings, unless the context clearly indicates otherwise.

1. Applicant – A person who submits to the Commission an application to be a warrantor of vehicle protection products.
2. Financial statements – A balance sheet, income statement, statement of cash flows, and a statement of equity reflecting the financial condition of the subject, prepared by an independent certified public accountant in accordance with generally accepted accounting principles.
3. Net Worth – The excess of total assets over total liabilities as reflected in audited financial statements.
4. Nonpublic personal information – Information regarding an individual that is derived from the offering of vehicle protection products and vehicle protection product warranties, the sale of such products and warranties, and claims made under such warranties.
    A. The term includes:
        i. customer financial and credit information,
        ii. information concerning the price paid for a vehicle protection product or vehicle protection product warranty,

iii. the type of vehicle protection product purchased,
iv. the terms and conditions of any warranty,
v. the expiration date of any warranty,
vi. the facts and circumstances involved in any claim made on a warranty,
vii. the claim history of an individual,
viii. social security numbers, and,
ix. information prohibited from disclosure by state and federal statue.

B. The term does not include customer name, addresses, and telephone numbers.

5. Registrant – A person approved by the Commission to be a warrantor of vehicle protection products.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983) and House Bill 844, Section 13.*

Rule 7.3 Registration and Renewal Requirements – General.

a. No person may operate as, or offer to be, a warrantor of vehicle protection products sold or offered in this state without holding a current registration issued by the Commission, unless the person is exempt under HB844, Section 4.
b. Registration is valid for one year from July 1 and must be renewed prior to expiration.
c. The required fee must accompany an application.
d. Falsification of information on an application is cause for denial, suspension, or revocation of a registration and / or assessment of an administrative penalty. MMVC Law 63-17-85; HB844 Section 11(4).
e. A complete application for registration renewal must be submitted on an approved Commission form with all required fees and proof of financial security as required. The application for registration renewal must be filed by the expiration date, or the registration will expire.
f. Non-receipt of registration renewal notice from the Commission does not exempt a person from any requirement of this rule.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983), §63-17-85, and House Bill 844, Section 11(4).*

Rule 7.4 Registration Requirements – Financial Security Requirements.

a. Each applicant and registrant may comply with the financial security requirement under Mississippi HB844, Section 5(2)(a) by submitting to the Commission the information required by one of the following four paragraphs.
    1. proof of reimbursement insurance policy described in Mississippi Code, HB844, Section 5.1(b); the reimbursement insurance policy must include the "Vehicle Protection Product Warrantor MS Endorsement" prescribed by the executive director or equivalent language.
    2. an audit report and audited financial statements for the most recent fiscal year which demonstrate either the applicant or the registrant, or the parent corporation of the applicant or registrant, if there is one, had a net worth in excess of $50 million as of the end of its most recent fiscal year; HB844, Section 5(2)(a).

3. the audit report of an independent certified public accountant stating the auditor's unqualified opinion concerning the financial statements of the applicant or registrant as of the end of its most recent fiscal year, together with a certification from the same accountant who performed the audit that the applicant or registrant had a net worth in excess of $50 million as of the end of the period audited: or
4. the audit report of an independent certified public accounting stating the auditor's unqualified opinion concerning the financial statements of the parent corporation of the applicant or registrant as of the end of the parent corporation's most recent fiscal year, together with a certification from the same accountant who performed the audit of the parent corporation that had a net worth in excess of $50 million as of the end of the period audited.

b. If the applicant or registrant relies upon the net worth of its parent corporation to satisfy the financial security requirements of Mississippi Code, then the applicant or registrant must furnish sufficient written proof, such as a resolution of the parent corporation's board of directors, that the parent corporation has agreed to guarantee the liabilities and obligations of an applicant or registrant relating to vehicle protection products sold or offered for sale by the applicant or registrant in this state.
c. Notwithstanding the other provisions of this section, an applicant or registrant shall promptly provide all financial statements and information to the executive director or his designate that are requested in writing by the executive director or his designate.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983), §63-17-85, and House Bill 844, Section 5(1)(b), 5(2)(a).*

Rule 7.5 Responsibilities of Registrant.

a. A registrant must provide the following written notification to all consumers of its vehicle protection product and warranties: "Regulated by the Mississippi Motor Vehicle Commission, P.O. Box 16873, Jackson, MS 39236, 601-987-3995". The notification shall be provided on all warranty contracts.
b. A registrant shall notify the Commission in writing with thirty (30) days of any change in the information set forth in the registrant's application.
c. A registrant shall allow the Commission to audit, examine, and copy any and all records maintained by the registrant pursuant to Mississippi Code, or relating to vehicle protection products sold or offered for sale in this state.
d. A registrant shall provide a copy of the vehicle protection product warranty to the consumer within 10 days from the date of purchase.
e. A registrant shall not disclose nonpublic personal information obtained in connection with the sale in this state of a vehicle protection product warranty or claims made under such a warranty except:
    1. to an entity acting on behalf of the registrant to perform the functions required to implement the vehicle protection product warranty who agrees not to disclose the nonpublic personal information;
    2. to the commission as provided in subsection (c); or
    3. as required by law or to comply with a subpoena or court order.

f. an entity acting on behalf of the registrant under subsection (e) shall not disclose nonpublic personal information except:
    1. as necessary to fulfill the terms and conditions of the consumer's warranty;
    2. to the Commission as requested by a Commission representative; or
    3. as required by law or to comply with a subpoena or court order.
g. A registrant shall maintain financial security as required.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983) and House Bill 844, Section 13.*

Rule 7.6 Fees.

a. All fees are non-refundable.
b. The original registration fee for a warrantor of vehicle protection products shall be $600.
c. The renewal registration fees shall be
    1. $600 for registrants who become obligated as warrantors
d. A $25 fee shall be charged for duplicate or amended registration certificates.
e. Late renewal fees for registrations issued under this rule are provided under MMVC Law Section 63-17-77(3) (relating to late fees).

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983), 63-17-85 and House Bill 844, Section 13, and 11(4).*

Part 1301 Chapter 8: Motor Vehicle Dealer Documentary / Service Fees - Disclosure

Rule 8.1Motor Vehicle Dealer Documentary / Service Fees – Disclosure.

a. Documentary / service fees may be charged by a motor vehicle dealer for services rendered to, for, or on behalf of a purchaser in preparing, handling, and processing documents relating to the sale or lease of a motor vehicle.
    1. Service examples made include but are not limited to checking vehicle safety, history, and titles; providing full condition information on the window label; discovering and disclosing accurate vehicle mileage; checking for recalls on used vehicles where required; completing required forms and contracts that protect buyers; and lessees; interest; processing titles and plates; clearing liens; keeping buyers' and lessees' information private and secure; fulfilling vehicle emission laws; passing along manufacturer information, including lemon law notices; processing taxes on buyers' and lessees; purchases and rebates; keeping buyers and lessees' informed of their rights and obligations; keeping important records of buyers' and lessees' purchases; purchasing required forms and supplies; maintaining technology to process buyers' and lessees' paperwork; training staff to carry out laws that protect buyers and lessees; and maintain professional licenses that ensure quality service. Not all services will be performed on every sale or by every dealer.

b. Documentary / service fees must be:

1. reasonable based on the market price of the Services rendered in the local area ; and
2. charged to all purchasers and lessees of vehicles regardless of the payment method used ; and
3. disclosed as a separate itemized charge with the exact dollar amount of the documentary / service fee listed on the bill of sale and / or the buyer's order.

c. Preparation of a retail installment contract, the lease, or perfection of a security interest shall not be components of the documentary / service fee.
d. On all documents where the documentary / service fee is disclosed, the following notice must be typed in bold and capitalized as follows:
"A DOCUMENTARY / SERVICE FEE IS NOT AN OFFICAL FEE AND IS NOT REQUIRED BY LAW. HOWEVER, IT MAY BE CHARGED TO A BUYER /LESSEE FOR THE HANDLING OF DOCUMENTS AND THE PERFORMING OF SERVICES RELATED TO THE SALE OR LEASE AND MAY INCLUDE DEALER PROFIT. THIS NOTICE IS REQUIRED BY REGULATION OF THE MISSISSIPPI MOTOR VEHICLE COMMISSION."
e. All motor vehicle dealers who charge a documentary / service fee must report the amount of their documentary / service fees to the Mississippi Motor Vehicle Commission within thirty (30) days of adoption of this regulation, and all changes to the motor vehicle documentary / service fees must be reported to the Mississippi Motor Vehicle Commission with thirty (30) days of the change.
f. This regulation is promulgated under and in accordance with Mississippi Code of 1972 §63-17-69, and this rule is enforceable pursuant to Mississippi Code of 1972 §63-17-85.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983) and §63-17-85.*

Part 1301 Chapter 9: Administrative Fee

Rule 9.1 Motor Vehicle Dealer Manufacturer, Distributor, wholesaler, factory branch, and division and all Manufacturer, Distributor, and wholesale representative fee.

a. Each Motor Vehicle Manufacturer, Distributor, wholesaler, factory branch, and divisions will be assessed a two hundred dollar ($200.00) administrative fee upon initial application and any future renewal of licensures. Each representative of a Manufacturer, Distributor, and wholesaler will be assessed a two hundred dollar ($200.00) administrative fee upon initial application and any future renewal of licensures.
b. Each Motor Vehicle Protection Product Warrantor will be assessed a two hundred dollar ($200.00) administrative fee upon initial application and any future renewal of licensures.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 10: Staffed Sales Events

Rule 10.1 Staffed Sales Events. Rule ten establishes the requirements for conducting a staffed event sale. A staffed event sale is defined as an activity, usually lasting three (3) to five (5) days, designed to promote, solicit, or encourage a consumer to purchase a motor vehicle, conducted by a non-licensed entity with the use of temporary motor vehicle sales personnel.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 10.2 All staffed event sales must be approved by the Mississippi Motor Vehicle Commission prior to the proposed staffed event sale.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 10.3 An application to conduct a staffed event sale, on such form established by the Commission, must be received from a licensed motor vehicle dealer at least fifteen (15) days prior to the scheduled first day of the proposed staffed event sale. The following items must be received before a staffed event sale can be approved:

1. The name of the company engaged by the applying dealer to conduct the staffed event sale.
2. The company's physical address and mailing address.
3. The full name, home address, and social security number of the owner of the company engaged by the dealer to conduct the staffed event sale.
4. The names and addresses of at least three new car dealers that have contracted with the staffed event sales company in the past two years, together with the owners names and telephone number of each dealer.
5. The full names, home addresses, and social security number of any sales personnel employed by the company conducting the staffed event sale who will participate in the staffed event sale.
6. An administrative fee of $30.00 for each name submitted as part of the staffed event sales company's on site personnel must accompany the dealers application.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 11: Specialty Vehicles

Rule 11.1 Specialty Vehicles. Rule eleven establishes that all second stage or "Specialty Vehicle" manufacturers must be a licensed Mississippi Motor Vehicle Manufacturer or Dealer. This requirement may be met by having Mississippi licensed salespersons representing said manufacturers in lieu of an actual facility located in the State of Mississippi.
Mississippi governmental entities, political subdivisions including Volunteer Fire Associations therein, may at their discretion exempt themselves by the way of contractual purchases from Rule Eleven and the protections provided by the Mississippi Motor Vehicle Commission. When this exemption is exercised, written notice to the Mississippi Motor Vehicle Commission is required.

The Mississippi Motor Vehicle Commission shall not impose any additional fees on second stage or "Specialty Vehicles" purchased outside the State of Mississippi.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Part 1301 Chapter 12: Export Chargeback Procedures

Rule 12.1 Definitions. Terms used herein that are defined in Section 63-17-53 shall have the meaning ascribed in that statutory section.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983) and §63-17-53.*

Rule 12.2 Prohibited Conduct. Notwithstanding any franchise or other contractual provision, policy or procedure to the contrary, no manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesaler branch or division may;

1. Refuse to allocate, sale, or deliver motor vehicles to a motor vehicle dealer;
2. Charge back or withhold payments or other things of value for which a motor vehicle dealer is otherwise eligible;
3. Prevent a motor vehicle dealer from participating in any promotion, program, or contest;
4. Threaten to take any prejudicial to the motor vehicle dealer by threatening to cancel any franchise or any contractual agreement existing between the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesaler branch or division and motor vehicle dealer; because the motor vehicle dealer sold or leased a motor vehicle to a customer who exported the vehicle to a foreign country, unless the manufacturer demonstrates that the motor vehicle dealer knew or reasonably should have known that the customer intended to export the vehicle.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 12.3 Hearing.

1. A manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesaler branch or division may not take any action against a motor vehicle dealer, including without limitation, reducing its allocations or supply of motor vehicles to the motor vehicle dealer, or charging back a motor vehicle dealer for an incentive payment previously paid, unless the manufacturer first meets in person, by telephone, video conference, or by registered mail with an officer or other designated employee of the motor vehicle dealer.
2. At such meeting, the manufacturer must provide a detailed explanation, with supporting documentation, as to the basis for its claim that the motor vehicle dealer knew or reasonably should have know the customer's intent to export or resell the vehicle.
3. After such meeting, the motor vehicle dealer shall have a reasonable period, commensurate with the number of vehicles at issue, but not less then 30 days not more than 90 days to respond to the manufacturer's claims. If the motor vehicle dealer does not respond within the specified time period, the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesaler branch or division

may take actions as would otherwise be allowed under the parties' agreements or otherwise applicable procedures or policies.

4. If following the motor vehicle dealer's response and completion of all internal dispute resolution processes provided through the manufacturer, the dispute remains unsolved, the motor vehicle dealer may file a protest with this commission within 30 days after receipt of written notice from the manufacturer that it still intends to take adverse action against the dealer.
5. If the protest is timely filed, this commission shall notify the manufacturer of the filing of the protest, and the manufacturer shall not take any action adverse to the motor vehicle dealer until this commission renders a final determination, that the manufacturer's proposed action is in compliance with the provisions of this regulation.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*

Rule 12.4 Burden of Proof

1. There is a rebuttal presumption that the motor vehicle dealer neither knew not reasonably should have known of its customer's intent to export or resell the vehicle if the vehicle is titled or registered in any state in the United States.
2. In any hearing pursuant to this regulation, the manufacturer has the burden of proof on all issues raised by this rule.

Source: *Miss. Code Ann. § 63-17-69 (Rev.1983).*