



## Motor Vehicle Advertising Rule Change

Dear Licensed Tennessee Automobile Dealer:

To provide clarity for dealers and transparency for consumers, the Tennessee Motor Vehicle Commission ("MVC") has updated its rules relative to advertising **that became effective April 20, 2022. The new rule requires that all fees associated with the purchase of a vehicle be clearly defined and illustrated.** As such, the MVC takes this opportunity to define three new terms:

- **Factory installed options**
- **Dealer installed accessories and**
- **Factory Transportation Costs**

**The price advertising section of the rule has language added stating that advertisements for motor vehicles must include factory-installed options and dealer-installed accessories in the advertised price. Furthermore, there is a provision requiring that new motor vehicles must include the manufacturer's suggested retail price, as well as fees associated with any factory-installed options, factory transportation costs, and any dealer-installed accessories.**

This rule requires **advertised prices to state that optional equipment** and costs of any additional fees described under the Commission's statute, including any **dealer-imposed fee, and state and local taxes, tags, registration, and title fees, are not included in the advertised price. This rule change specifically removes the requirement for any dealer document preparation, processing, or servicing fee (also referred to as a "DOC fee") to be included in the advertised price, however any such fee must be disclosed in its amount and that it is excluded from the advertised price. (See the example at the end of this letter.)**

Additional changes include language in the license fees section stating that dealership licensees are subject to a re-inspection fee amounting to the cost incurred by the Commission for the re-inspection. The fee assessed will not exceed four hundred dollars (\$400). This provision will apply in instances where the licensee's action or inaction requires an inspector to be sent to the dealership location more than once. **An example of such is in the instance where an annual inspection is scheduled with the licensee, however, the licensee fails to show for the inspection, thus requiring the inspector to reschedule and travel back to the dealership at a later date.** This rule deletes a section under license fees specific to RV dealers. This portion of the rule became obsolete when the MVC developed a specific license for RV dealers.

Finally, the rule updates minimum auto auction requirements by adding the language **"auto auction license"** and principal **"auctioneer's license"** to mirror those changes related to the Tennessee Auctioneer Commission during recent years.

### **Previous Advertisement Requirement**

DOC fee was required to be included in the price of the vehicle, and the amount of such DOC fee was required to be noted in the disclosure.

Example:



2020 Toyota 4-Runner Stock #1234  
Vehicle Price - \$39,072\*  
DOC Fee - \$499

\*Price includes DOC fee of \$499.00, but excludes tax, title and license.

### **New Advertising Requirement**

DOC Fee is no longer included in the advertised price, but the amount of the DOC fee must still be noted in the disclosure.



2020 Toyota 4-Runner Stock #1234  
Vehicle Price - \$38,573\*  
DOC - \$499

\*Price excludes DOC fee of \$499.00 plus tax, title, and license