NOTICE OF PROPOSED GUIDANCE DOCUMENT

What's New for Dealers and Auctions

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on What's New for Dealers and Auctions s.218, a proposed guidance document.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by: 1. Department's website: https://appengine.egov.com/apps/wi/dot/guidance-docs?guidDocId=DMV323

2. Mailing written comments to: Division of Motor Vehicles Wisconsin Department of Transportation 4822 Madison Yards Way PO Box 7336 Madison, WI 53707-7336

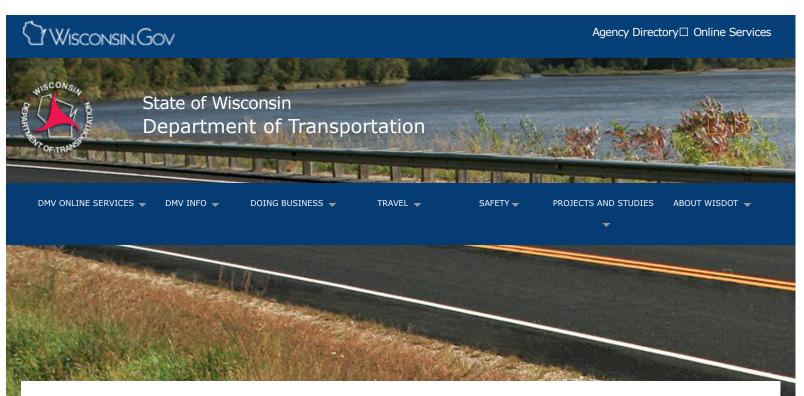
WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at <u>wisconsindot.gov</u> to allow for ongoing comment.

AGENCY CONTACT

DOTDMVGuidanceDocs@DOT.WI.GOV

Wisconsin DMV Official Government Site - What's new for dealers and auctions



What's new for dealers and auctions

Title and registration processing

Business licenses

Dealer forms

Dealer license fees

eMV Agent - electronic lien transactions

eMV11 - electronic titling and registration

eMV Fleet registration

Motor vehicle salesperson manual

Special motor vehicle industry plates

Tips and tools for dealers

Qualified rebates

In August 2011 the DMV issued an advertising guideline regarding qualifying rebates. Since that time the DMV has allowed an advertised price to contain qualified rebates which may not apply to everyone as long as the type of rebate and amount are listed near the final price or payment.

In 2013 the Federal Trade Commission (FTC) implemented Operation Ruse Control with a focus on

deceptive advertising. One of the practices it looked at was the use of rebates to deceive customers into believing they qualified for an advertised price or payment when in fact they didn't qualify for many of the rebates. The FTC ruled this was a deceptive practice and several dealers faced significant penalties.

To be consistent with FTC guidelines and expectations the DMV is revising its interpretation of Wisconsin Administrative Code Trans 139.03(3) regarding qualifying rebates. Effective April 1, 2016, the following is required:

An advertised price or payment may only contain rebate discounts which **every** customer will qualify for. If there is **any** qualification criteria that prohibits a customer from being eligible, the rebate cannot be included in the final advertised price or payment.

For instance: a \$500 military veteran rebate may not be included in the advertised price because every customer who views the advertisement will not be a veteran. However, if a manufacturer offers a rebate everyone qualifies for it may be included in the advertised price or payment.

Rebates that everyone qualifies for may be bundled together and calculated into the price as long as the following conditions are met:

In print ads (including billboards, dealership windows, hang tags, etc.), the rebates to all must be itemized. If not adjacent to the price or payment, the rebates must be listed in the end disclaimer. **In radio**, the rebates to all must be itemized. If not spoken adjacent to the price or payment, the rebates must be listed in the trailer.

On TV, the rebates to all must be itemized. If not adjacent to the price or payment, the rebates must be listed on the same screen as the price or payment in a readable disclaimer.

On the Internet, the rebates to all must be itemized. If not written adjacent to the price or payment, one could do one of the following:

- a. Scroll over the price or payment to see the rebates
- b. See the listed rebates "one-click away"
- c. View the listed rebates in the comments section of the VDP (vehicle description page)
- d. List the rebates at the bottom of the webpage near the "savings" or "final price or payment" as long as the webpage clearly refers the customer to the bottom of the page

An advertisement is allowed to list all qualified rebates next to the advertised price or payment in the main body of the advertisement but **may not** be calculated into the final price.

This revised interpretation is mutually beneficial to dealerships and customers alike. It protects dealers from deceptive advertisement claims and provides customers with an accurate price expectation.

Additional examples:

Trade-in assistance

This rebate/promotion cannot be calculated into the advertised price because some customers won't have a trade-in. It's unreasonable to assume every customer will be trading in a vehicle.

Zip code rebates

Some rebates only apply if a customer lives in a specific zip code. If the vehicle price is not advertised online and the print advertisement is only distributed within the rebate applicable zip codes it can be calculated into the price. If either of those don't apply the rebate cannot be calculated into the advertised price.

Missing imaging work notice

Effective January 2015, WisDOT will start notifying dealers, lenders and agents who process title applications of any missing work that needs to be submitted for imaging. Notification will be by U.S. mail to the primary business address on our records.

If required paperwork has not been received in a timely manner, letters will be sent listing which applications are missing. All processing agents are required by contract to submit certain completed title applications the first business day following processing. Failure to do so may cause WisDOT to deny electronic processing access, resulting in additional fees and/or surcharges as well as possible licensing actions.

If you have any questions regarding submitting completed work, please contact the Agent Partnership Unit at DOTDMVMissingWork@dot.wi.gov.

Wisconsin dealer electronic processing options

Wisconsin law requires that all licensed motor vehicle dealers electronically process title and registration applications for their customers.

If a dealership sold 48 or fewer vehicles in the previous full calendar year, it may be exempt from the electronic processing requirement. If the dealership is exempt and chooses not to electronically process, an additional processing fee of \$15 per application is required. The processing fee can be passed on to the customer.

If a dealership is not exempt, it will be assessed a \$50 surcharge for each application submitted to DMV for processing that can be completed electronically, in addition to the \$15 processing fee. The \$50 surcharge cannot be passed on to the customer.

It is to your dealership's advantage to learn an electronic system. Wisconsin DMV supports three choices for electronic titling:

- CVR
- Dealertrack
- eMV11

More information is available on the Title and registration processing page.

eMV11

WisDOT's eMV11 program allows motor vehicle dealers to electronically process title/registration applications for their customers via the Internet.

There are numerous benefits in filing electronically. These include accurate fee calculation, real time record update, no need to write checks, and immediate listing of liens.

Join WisDOT's Dealer Listserv!

Sign up on the Dealer listserv (Dealer email list) to receive WisDOT dealer news.

Dealer publications already available electronically

• Plain Dealing newsletter - Current and past issues

Questions? Contact us:

Dealer & Agent Section

P.O. Box 7909 Madison, WI 53707-7909

Email AgentPartnershipUnit@dot.wi.gov Phone (608) 266-3566 Fax (608) 266-9552

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