

ACT 66

S.B. NO. 2746

A Bill for an Act Relating to Motor Vehicle Advertising.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 437-4, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) False, deceptive, or misleading advertising.
- [(1)] False advertising by a motor vehicle dealer shall be punishable as provided by statute or ordinance.
- (2)] (1) Terms that are false, deceptive, or misleading regarding pricing shall not be used in any retail motor vehicle advertising, including but not limited to the following terms:
- (A) “Wholesale;”
- (B) “Free;”
- [(C)] “Cost,” as in but not limited to “at cost,” “below cost,” a certain number of dollars “off cost,” or other terms of similar import;
- (D)] (C) “Invoice price,” “manufacturer’s invoice price,” “factory invoice price,” “dealer invoice price,” a certain number of dollars “over invoice,” or other terms of [similar] equivalent import;
- [(E)] (D) “Fleet,” in connection with defining prices or a sale;
- [(F)] (E) “Factory sale,” “manufacturer’s sale,” “factory authorized sale,” “factory outlet,” or other terms of [similar] equivalent import; and
- [(G)] (F) “No credit rejected,” “everyone financed,” or terms of [similar] equivalent import.
- [(3)] (2) Any advertised product must be available on the stated terms from inventory, or by order with delivery within a reasonable period of time.

- [(4)] (3) Where a discount or savings is featured, whether by price comparison of dollars, fractions, percentages, or otherwise, the discount or savings must be calculated with reference to the manufacturer's suggested retail price in accordance with the Monroney Act, 15 U.S.C. §1231, et seq., as amended.
- [(5)] (4) If the term "guarantee" or words of [similar] equivalent import are used in advertising, the guarantee, and all of its material terms, must be in writing and made part of the contract of sale of any motor vehicle sold by the seller during the period covered by the advertisement.
- [(6)] (5) No motor vehicle shall be advertised or offered for sale or exchange or offered to be purchased under the representation that it is a new motor vehicle, unless the motor vehicle conforms to the definition of "new motor vehicle" contained in section 437-1.1."

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 1, 1996.)