
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE ADVERTISING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to reinstate
2 language that was originally enacted through Act 266, Session
3 Laws of Hawaii 1992.

4 SECTION 2. Section 437-4, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) False, deceptive, or misleading advertising.

7 (1) Terms that are false, deceptive, or misleading
8 regarding pricing shall not be used in any retail
9 motor vehicle advertising, including but not limited
10 to the following terms:

11 (A) "Wholesale";

12 (B) "Free";

13 (C) "Invoice price", "manufacturer's invoice price",
14 "factory invoice price", "dealer invoice price",
15 a certain number of dollars "over invoice", or
16 other terms of equivalent import;

17 (D) "Fleet", in connection with defining prices or a
18 sale;



1 (E) "Factory sale", "manufacturer's sale", "factory
2 authorized sale", "factory outlet", or other
3 terms of equivalent import; ~~and~~

4 (F) "No credit rejected", "everyone financed", or
5 terms of equivalent import~~[-]~~; and

6 (G) "Cost", as in but not limited to "at cost",
7 "below cost", a certain number of dollars "off
8 cost", or other terms of similar import.

9 (2) Any advertised product must be available on the stated
10 terms from inventory, or by order with delivery within
11 a reasonable period of time.

12 (3) Where a discount or savings is featured, whether by
13 price comparison of dollars, fractions, percentages,
14 or otherwise, the discount or savings must be
15 calculated with reference to the manufacturer's
16 suggested retail price in accordance with the Monroney
17 Act, 15 U.S.C. §1231, et seq., as amended.

18 (4) If the term "guarantee" or words of equivalent import
19 are used in advertising, the guarantee, and all of its
20 material terms, must be in writing and made part of
21 the contract of sale of any motor vehicle sold by the
22 seller during the period covered by the advertisement.



1 (5) No motor vehicle shall be advertised or offered for
2 sale or exchange or offered to be purchased under the
3 representation that it is a new motor vehicle, unless
4 the motor vehicle conforms to the definition of "new
5 motor vehicle" contained in section 437-1.1."

6 SECTION 3. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun, before its effective date.

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect upon its approval.

12

INTRODUCED BY: 

JAN 19 2007



Report Title:

Motor Vehicles; Advertising

Description:

Prohibits as false motor vehicle advertising the use of the term "cost" as in "at cost", "below cost", or "off cost".

