

Law limits car dealership give-away ads

Individual sellers cannot offer free gifts or other incentives

As gasoline prices surpass the \$4-per-gallon mark across the state, some car dealers have begun offering incentives with the purchase of an automobile.

These incentives are usually gift cards for a specific amount of gasoline (e.g. 500 gallons) or the guarantee of gasoline at a fixed price over a period of time (e.g. one year at \$2.50 per gallon).

The only incentives that are allowed in Illinois are those that are sponsored through an automobile manufacturer or manufacturer's authorized and approved dealer advertising association without dealer participation.

Individual car dealers are not permitted to advertise free prizes, gifts or other incentives with the purchase of a new car.

The ad also must contain a clear and conspicuous disclosure of the program or association and the key terms and conditions of the offer.

According to the Illinois Administrative Code:

Title 14: Commerce

Subtitle B: Consumer Protection

Chapter II: Attorney General

Part 475 Motor Vehicle Advertising

Section 475.590 Gifts and Free Offers

a) It is an unfair or deceptive act to advertise or offer free prizes, gifts or other incentives in connection with the purchase or lease of a vehicle where the vehicle is sold or leased at a price arrived at through bargaining or negotiation, unless the dealer meets the requirements of subsection (b) of this Section.

b) A free prize, gift or other incentive may be advertised or offered in connection with the purchase or lease of a vehicle if:

1) The free prize, gift or other incentive is offered through a manufacturer's program or a manufacturer's authorized and approved dealer advertising association without any participation by the dealer, excluding dues or assessments that are required to participate in the advertising association. The program or association shall be clearly and conspicuously disclosed; and

2) All material terms and conditions relating to the offer are clearly and conspicuously disclosed at the outset of the offer.

For further information about this topic, please contact the IPA's Government Relations office at 217-241-1300.