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Best practices – Monroney labels

by Gil Van Over

This year's columns have been dedicated to describing this whole thing called compliance. We are now in the process of describing best practices that, if implemented, are designed to help reduce exposure to litigation and regulatory inquiries. Today's topic is the required disclosure of Monroney labels.

Federal Requirement

The Automobile Disclosure Act of 1958, commonly known as the Monroney Act, requires the disclosure of the Manufacturer's Suggested Retail Price (MSRP) and other items on a window sticker that must be affixed to the window of vehicles with a gross vehicular weight of less than 8,500 pounds.



Penalties

The Monroney Act prohibits the Monroney label from being removed or altered prior to the vehicle sale. Willful removal of the Monroney label from a qualifying new vehicle can result in a fine of \$100,000 per individual or \$100,000 per organization and imprisonment up to one year.

Issues

Generally, there are two reasons that a Monroney label is not affixed to a window on a new car:

The dealer has installed a window tint and neglected to replace the Monroney label; or
The label came off when the window is rolled down during a test drive and is not replaced.

Dealer's Best Practice

Dealers should establish a process where a qualified employee is responsible for walking the new car lot every morning and making sure that every new vehicle has a Monroney label affixed to the window. Anything less is running the risk of proving that the removal was not willful.

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