



BULLETIN

EXCERPT FROM PAGE 10:

DELIVERY & HANDLING – DISCLOSURE: AS OUTLINED UNDER 26-YEAR OLD COLORADO AG SETTLEMENT

A reminder that a twenty-six year-old attorney general settlement (“Assurance of Discontinuance”) is still applicable to dealers who signed it—and could serve as a “safe harbor” for all other dealers. CADA strongly advises that dealers adhere to the terms of this settlement, which requires specific consumer disclosures pertaining to delivery and handling charges. As a state-approved mechanism for proper disclosure of these charges, it could provide a defense to any issues that may arise in this area. Copies of the original five-page agreement are on file with CADA and are available upon request.

A “D&H charge” under the settlement agreement includes “*charges for delivery, handling, dealer preparation, paperwork, documentary fees, get-ready charges and all similar charges...involved in inspecting, cleaning, and adjusting motor vehicles for delivery to retail customers*” (excludes any fees, taxes, or charges required by any government agency such as inspection or registration fees).

There are basically **THREE** options outlined under the agreement:

1. Sign posted in showroom plus specific disclosures on various sales documents as follows:

- a. Signs shall be posted in the showroom stating the following:
 - i. “To the negotiated price of each vehicle, there will be added the sum of \$_____ for costs and additional profit to the seller/dealer for items such as inspecting, cleaning, and adjusting new and used vehicles and preparing documents related to the sale”; and
- b. On each buyer’s order, PO, customer’s offer to purchase, contracts for retail sale and invoice, the following:
 - i. A clear and conspicuous printed entry entitled “delivery and handling”, “dealer preparation” or any abbreviations thereof, followed by an asterisk; and
 - ii. A similar asterisk elsewhere on the face of the agreement followed by the following statement printed clearly and conspicuously:
 - “This charge represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning, and adjusting new and used vehicles and preparing documents related to the sale.”
 - iii. If the quoted language in (ii) above is printed in the same place on such form as the entry required by (i) above, no asterisk need be used.

2. Where the motor vehicle is available for physical inspection:

- a. a conspicuous sticker attached to the window specifying “D&H” charge for that vehicle, describing the charge as “delivery and handling”, “dealer preparation” or any abbreviation thereof along with the charge for each dealer installed option and a total price line labeled

- “/Dealer’s/total price (including D&H)”; and
- b. Prominently post signs in the dealer showroom stating the following:
 - i. “/Delivery and handling, dealer preparation or the abbreviation thereof, whichever term appears on the window sticker/ represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning, and adjusting new and used vehicles and preparing documents related to the sale”; and
 - c. Dealer shall not charge or set for an itemized separate or additional charge for D&H or any component of D&H on the buyer’s order, purchase order, customer’s offer to purchase, contract for retail sale, or invoice.

D&H Sign Available at CADA: To help dealers comply with the above, the following sign is available for order through CADA Services (*see prior article for forms ordering information*):

Delivery and Handling represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning, and adjusting new and used vehicles and preparing documents related to the sale.

3. **Dealers may disclose all charges attributable to the sale of a motor vehicle by disclosing only the following items (in addition to those otherwise required by law):**
 - a. “Manufacturer’s suggested retail price”: \$ _____
 - b. “Dealer’s name/price”: \$ _____

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