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Powersports Dealers Exempt from New FTC Auto Regulations

The rule, designed to protect consumers from auto retail scams, would have required Powersports Dealers to fundamentally alter the way they do business.

FALLS CHURCH, VA. – Powersports Dealers can breathe a sigh of relief as the Federal Trade Commission in December released the final version of its Auto Rule, renamed the Combating Auto Retail Scams Rule (CARS).

The final language of the CARS Rule explicitly exempts Powersports Dealers and other non-automotive dealers from requirements of the rule.

CARS Rule Details

The rule will only cover "self-propelled vehicles designed for transporting persons or property on a public street, highway or road." The rule **will not** apply to:

- Motorcycles, scooters and electric bicycles
- Recreational boats and marine equipment
- Motor homes, recreational vehicle trailers and slide-in campers
- Golf carts

A number of national and state Dealer associations collaborated to voice opposition to the FTC's initial rule, ultimately making the case for an exemption.

"The NPDA appreciates the collaboration shown by our various partners to help overcome this regulation," said Bob Althoff, Chairman of the NPDA. "We are also thankful that the FTC listened to the input and allowed for these exemptions."

The FTC first issued a Notice of Proposed Rulemaking related to motor vehicle shopping in June 2022, and the original rule did not explicitly exclude Powersports Dealers, causing concern within the industry due to the potential cost and burden of compliance.

Additional concerns were raised about the potential economic impact on Powersports Dealers and other small businesses because the FTC failed to complete a Regulatory Flexibility Analysis to determine the economic impact.

"This win showcases the importance of working together with like-minded organizations to benefit Members," said Kim Harrison, Secretary/Treasurer of the NPDA. "We are committed to ensuring Powersports Dealers are able to compete in a fair, favorable business environment."

For more information about the NPDA or to join and support the important work we do on behalf of Powersports Dealers, click **HERE**: