

Roadside Advertising, Receipts, and Cash Discounts Offered at Retail Motor Fuel Outlets

Retail marketers of petroleum products are responsible under the Michigan Weights and Measures Law (P.A. Act 283 of 1964) to ensure that any and all advertising of motor fuel prices are accurate and in no way considered deceptive or misleading. Furthermore, operators offering "discounted" prices must conduct such transactions so that they meet the minimum requirements under the law.

The following guidelines are provided to assist the retail operator to maintain compliance with the statute, while permitting them to successfully market their products.

Roadside Advertising:

290.628e Sale of motor fuel at roadside retail location; advertising; use of proprietary fuel name; conditions regarding payment by cash or credit card. Sec. 28e.

(1) Beginning July 2, 2013, if motor fuel is sold at a roadside retail location, the roadside advertising shall comply with all of the following:

(a) The price advertised shall be clearly and completely posted in full, including any fractional prices, to the tenth of a cent.

(b) The price advertised shall include the grade of fuel being sold, with the following abbreviations allowed:

(i) Regular gasoline: "Regular", "Reg.", or "Reg.",

(ii) Midgrade gasoline: "Midgrade", "Mid.", or "Mid.",

(iii) Premium gasoline: "Premium", "Prem.", or "Prem.",

(iv) Diesel fuel: "Diesel", "Dsl.", or "Dsl.",

(v) Kerosene fuel: "Kerosene", "Ker.", or "Ker.",

(vi) E85 fuel ethanol: "E85".

(c) All prices shall be capable of being displayed at the pump, but only the unit price of the selected product shall be displayed during the transaction. All indications on the pump display shall calculate the correct total price of the purchase.

(d) Subject to subsection (3), if the advertised price of the motor fuel is subject to 1 or more conditions for sale at that price, other than payment by cash or credit card, the retailer shall post the conditions immediately adjacent to the sales price with equal illumination in lettering of the same style and of at least 1/2 the size that is used to post the sale price.

(e) If the unit price for the same grade of motor fuel differs, and the sign will not accommodate displaying all prices in lettering of the same style and size, the highest price shall be displayed in lettering using the largest size of the prices that are displayed.

(2) Subsection (1)(b) does not preclude the owner or operator of a business selling motor fuel at a roadside retail location from using a proprietary fuel name.

(3) Beginning July 2, 2017, the requirement of subsection (1)(d) also applies to conditions regarding payment by cash or credit card.

Receipts:

A receipt generated from the sale of motor fuels must accurately reflect the completed transaction, including: the product name, the actual price per gallon charged; the total gallons dispensed; and the total price charged.

Cash Discounts:

Anytime a "per gallon" cash discount is offered, the "actual discounted price" must be "user selectable" and displayed on the dispenser prior to the delivery of fuel.

- This may be accomplished: by the use of a selection button at the pump, that permits the customer to make a selection that will engage the device to display the proper discounted price; or
- The customer will pre-pay (using cash, purchasing a car wash, etc.) and the operator will then change the price at the dispenser prior to the delivery of fuel.

Coupon:

The use of "coupons" as a way to offer the consumer discounted motor fuel prices is becoming more frequent. However, specific rules must be followed to ensure compliance with weights and measures requirements:

- Coupons utilized to offer a customer a specific dollar amount off of their "total" purchase that are and clearly identified on the receipt are acceptable. (i.e. \$2.00 off total purchase of fuel;
- Coupons utilized to offer a "price per gallon discount" (i.e. \$0.06 off per gallon of fuel with coupon), must meet the following requirements to ensure compliance.
 1. Upon presenting the coupon to the operator prior to the delivery of motor fuel ("pre-pay") the price per gallon displayed at the dispenser must be changed to reflect the actual unit price (price per gallon) to be charged, and the device will calculate and display correctly based upon the new "discounted" price.
 2. In cases where a discount card can be "swiped" through a card reader at the dispenser, the dispenser must automatically change the displayed price to reflect the new lower "discounted" price per gallon prior to delivery.

Note: In all transactions receipts must correctly reflect all information, including the unit price, total price and the total gallons dispensed.

Third Party Gas Discount Coupons:

Coupons issued by a firm other than the gas station operator, are considered "third party" coupons (examples may be grocery stores, hardware stores etc.). These coupons may offer a cash discount for the total purchase price (for example \$1.00 off the total purchase price) or may offer a price per gallon (unit price) discount (such as \$0.10 per gallon) . Either of these examples is in compliance with current State Law.

Receipt Requirements: When an operator utilizes third party gas discount coupons, the receipt must include the following information:

1. Unit price as displayed on the dispenser
2. Total gallons dispensed as displayed on the dispenser
3. Total price as displayed on the dispenser
4. The discount applied, such as \$0.05 per gallon, \$0.10 per gallon, etc.
5. The total discount applied (12.453 gallons purchased x \$0.05 discount per gallon = Total Discount of \$0.62)
6. Total price charged

The Michigan Weights and Measures Law (P.A. 283), adopts the National Institute of Standards and Technology (NIST) Handbook 44 [Specifications, Tolerances, and Other Technical Requirements For Weighing and Measuring Devices] by reference. Sections applicable to retail motor fuel pricing are:

Section 3.30 Liquid-Measuring Devices Specifications:

S.1.6.4. Display of Unit Price and Product Identity

S.1.6.4.1. Unit Price

It is important to note, that any commercial weighing or measuring device that is used in a manner contrary to the device design is considered inappropriate and may result in penalties to the operator as provided by the statute. Any person with questions related to the advertising and or use of commercial devices should contact the Michigan Department of Agriculture Weights and Measures Program at 517-655-8202 ext. 304.