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**Department of Transformation and Shared Services**

Governor Asa Hutchinson

Secretary Mitch Rouse

November 2, 2022

Senator Scott Flippo  
Representative Ken Bragg  
Arkansas Legislative Council  
State Capitol  
Little Rock, Arkansas 72201

Re: Vehicle Lease for Arkansas Tobacco Control

Dear Senator Flippo and Representative Bragg:

Arkansas Tobacco Control (ATC) routinely leases vehicles pursuant to a Food and Drug Administration (FDA) grant. ATC advises that the FDA grant fully funds the vehicle leases from federal tobacco user fees, and the grant terms prohibit ATC from using the funds to purchase vehicles. It would like to renew this lease agreement for an additional four (4) years.

Arkansas law regarding agency leases generally requires review of proposed vehicle leases prior to renewal. *See* Arkansas Code Annotated § 22-8-102. However, by way of exception, it also specifically provides that if federal assistance requirements or federal contract requirements conflict with the vehicle lease review statute, the statute's requirements "shall not prevent a state agency from complying with the terms and conditions of the federal assistance requirements or the federal contract requirements." *See* Arkansas Code Annotated § 22-8-102(d). Out of an abundance of caution, ATC seeks review of its long-term lease agreement with EAN Holdings, LLC, d/b/a Enterprise Rent-A-Car for the on-going lease of five (5) vehicles for a four-year period.

Should you have any questions or require additional information, please contact Larry Ray Owens, Deputy Director of the Arkansas Department of Finance and Administration Division of Tobacco Control, at 501-682-0882.

Sincerely,

Mitch Rouse  
Secretary

## VEHICLE LEASE APPROVAL SUMMARY SHEET

AGENCY: Department of Finance and Administration Division of Tobacco and Control

AGENCY CONTACT: Deputy Director Larry Ray Owens, 501-682-0882

FUNDING: 100% Federal Funds from Food and Drug Administration

PURPOSE: To lease five (5) mid-sized sedans for certified law enforcement officers to conduct federal tobacco inspections across the state.

CONTRACT PERIOD: Forty-eight (48) months

COST: Five (5) mid-sized sedans at \$747.40 per vehicle per month, which includes unlimited mileage, insurance, and maintenance. An exact monthly cost may vary based upon the statewide contract.

TYPE OF VEHICLE: 2021 Camry or similar vehicle make and model (mid-sized sedan)

VENDOR: EAN Holdings, LLC, d/b/a Enterprise Rent-A-Car

  
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Mitch Rouse  
Secretary

Approval Date: 11/2/22