## Stricken language would be deleted from and underlined language would be added to present law. Act 504 of the Regular Session

1	State of Arkansas	$\overset{As \; Engrossed: \;\; S3/17/21}{ABill}$	
2	93rd General Assembly		HOUSE BILL 1355
3 4	Regular Session, 2021		HOUSE BILL 1333
5	By: Representative Dotson		
6	By. Representative Botson		
7		For An Act To Be Entitled	
8	AN ACT TO	AMEND THE ARKANSAS MOTOR VEHICLE CO	MMISSION
9	ACT; TO AMEND THE RECREATIONAL VEHICLE FRANCHISE ACT;		
10	TO REMOVE LICENSING REQUIREMENTS FOR A MOTOR VEHICLE		
11	SALESPERSO	ON AND A RECREATIONAL VEHICLE SALESP	ERSON;
12	TO CREATE	THE AUTOMOTIVE TECHNOLOGIST EDUCATI	ON GRANT
13	PROGRAM AN	ND THE AUTOMOTIVE TECHNOLOGIST EDUCA	TION
14	GRANT FUNI	; AND FOR OTHER PURPOSES.	
15			
16			
17		Subtitle	
18	TO R	EMOVE LICENSING REQUIREMENTS FOR A	
19	МОТО	R VEHICLE SALESPERSON AND A	
20	RECR	EATIONAL VEHICLE SALESPERSON; AND TO	)
21	CREA	TE THE AUTOMOTIVE TECHNOLOGIST	
22	EDUC	ATION GRANT PROGRAM AND FUND.	
23			
24			
25	BE IT ENACTED BY THE (	GENERAL ASSEMBLY OF THE STATE OF ARK	ANSAS:
26			
27		ansas Code Title 19, Chapter 5, Subc	hapter 12, is
28		itional section to read as follows:	
29		omotive Technologist Education Grant	
30		stablished on the books of the Treas	
31		the Chief Fiscal Officer of the Sta	
32		ive Technologist Education Grant Fun	
33	·	as Motor Vehicle Commission shall pe	•
34		e five percent (5%) of the fees the	
35		licenses by the commission, and the	ireasurer of State
36	<u>shall deposit those fu</u>	mas mto the runa.	

1 (c) The commission may receive gifts, grants, bequests, devises, and 2 donations made to the commission, amounts received as matching funds from 3 eligible organizations participating in the Automotive Technologist Education Grant Program under § 25-30-110, and any other funds authorized by law to be 4 5 used in the furtherance of the purposes of the program. 6 (d) In addition, the commission may accept gifts, grants, or donations 7 from the United States Government or agencies of the United States Government 8 and private individuals, foundations, or concerns to be used for the purposes 9 of the program. 10 (e) The fund may be used by the commission to issue Automotive 11 Technologist Education Grants for the program. 12 SECTION 2. Arkansas Code § 23-112-102(b), concerning the purpose and 13 14 legislative findings of the Arkansas Motor Vehicle Commission Act, is amended 15 to read as follows: 16 (b) The General Assembly further finds and declares that it is 17 necessary, in the exercise of its police power, to regulate and to license 18 motor vehicle manufacturers, factory branches and divisions, distributors, 19 distributor branches and divisions, distributor representatives, and new 20 motor vehicle dealers, and salespersons doing business in Arkansas in order 21 to: 22 (1) Prevent frauds, unfair practices, discrimination, 23 impositions, and other abuses upon the citizens of Arkansas; 24 Avoid undue control of the independent motor vehicle dealer 25 by motor vehicle manufacturing and distributing organizations; 26 (3) Foster and keep alive vigorous and healthy competition; 27 Prevent the creation or perpetuation of monopolies; 28 (5) Prevent the practice of requiring the buying of special 29 features, accessories, special models, appliances, and equipment not desired by a motor vehicle dealer or the ultimate purchaser; 30 31 (6) Prevent false and misleading advertising; 32 Promote and keep alive a sound system of distribution of 33 motor vehicles to the public; and 34 (8) Promote the public safety and welfare.

SECTION 3. Arkansas Code § 23-112-103(23), concerning the definition

T	of "motor vehicle salesperson" under the Arkansas motor vehicle commission
2	Act, is repealed.
3	(23) "Motor vehicle salesperson" means any person who:
4	(A) Is employed as a salesperson by a motor vehicle dealer
5	whose duties include the selling or offering for sale of motor vehicles;
6	(B) For compensation of any kind, acts as a salesperson,
7	agent, or representative of a motor vehicle dealer;
8	(C) Attempts to or in fact negotiates a sale of a motor
9	vehicle owned partially or entirely by a motor vehicle dealer;
10	(D) Uses the financial resources, line of credit, or floor
11	plan of a motor vehicle dealer to purchase, sell, or exchange any interest in
12	a motor vehicle; and
13	(E) Is employed by a motor vehicle dealer as a salespersor
14	for whom a motor vehicle dealer requires to have licensure for simultaneous
15	employment as a finance manager, insurance manager, service manager, parts
16	manager, or other specified office personnel concerned with the sale of a
17	motor vehicle under this chapter;
18	
19	SECTION 4. Arkansas Code Title 23, Chapter 112, Subchapter 2, is
20	amended to add an additional section to read as follows:
21	23-112-205. Automotive Technologist Education Grant Program.
22	(a) The Automotive Technologist Education Grant Program is established
23	within the Arkansas Motor Vehicle Commission.
24	(b)(1) The commission shall use the Automotive Technologist Education
25	Grant Program to provide discretionary grants to career education programs
26	with a focus on training in the automotive technology field.
27	(2) A discretionary grant provided under subdivision (b) (1) of
28	this section shall be known as an "Automotive Technologist Education Grant".
29	(c) An educational program is eligible for an Automotive Technologist
30	Education Grant if:
31	(1) The educational program is an approved technical program
32	that provides training in the field of automotive repair and technology and
33	operates at a public school, a secondary technical center, or an institution
34	of higher education;
35	(2) The educational program submits an application for an
36	Automotive Technologist Education Grant:

HB1355

1	(3) The use and purpose of the Automotive Technologist Education		
2	Grant is detailed in the application; and		
3	(4) The amount of funding needed is provided in the application.		
4	(d) Grants provided under this section are contingent on the		
5	availability of funding.		
6	(e) The Office of Skills Development, the Division of Career and		
7	Technical Education, and the Division of Higher Education shall jointly		
8	create an application form for an Automotive Technologist Education Grant.		
9	(f) The Office of Skills Development, the Division of Career and		
10	Technical Education, and the Division of Higher Education shall jointly		
11	review and make recommendations on applications for an Automotive		
12	Technologist Education Grant to the commission for approval.		
13	(g) The amount of an Automotive Technologist Education Grant may vary		
14	among applicants based on available funding and grant priorities.		
15	(h) The commission shall disburse an Automotive Technologist Education		
16	Grant directly to the approved applicant within thirty (30) days of approval.		
17	(i) The commission shall award Automotive Technologist Education		
18	Grants under this subchapter.		
19	(j) An educational program that receives an Automotive		
20	Technologist Education Grant shall provide the commission an accounting		
21	report of how an Automotive Technologist Education Grant is spent within one		
22	(1) year of receipt of the Automotive Technologist Education Grant.		
23	(k)(1) Annually, the commission shall file a written report with		
24	the Legislative Council based on information provided to the commission from		
25	the Office of Skills Development, the Division of Career and Technical		
26	Education, and the Division of Higher Education.		
27	(2) The report under subdivision $(k)(1)$ of this section shall		
28	include:		
29	(A) The number of applications received;		
30	(B) The amount of funding that was received;		
31	(C) The amount of funding that was awarded; and		
32	(D) Any other information requested by the Legislative		
33	Council.		
34			
35	SECTION 5. Arkansas Code § 23-112-301(a)(2), concerning required		
36	licenses under the Arkansas Motor Vehicle Commission Act, is amended to read		

- 1 as follows:
- 2 (2) For any person to engage in business as, serve in the
- 3 capacity of, or act as a new motor vehicle dealer, motor vehicle salesperson,
- 4 motor vehicle lessor, manufacturer, importer, distributor, factory branch or
- 5 division, distributor branch or division, factory representative, distributor
- 6 representative, second-stage manufacturer, or converter, as such, in Arkansas
- 7 without first obtaining a license therefor as provided in this chapter,
- 8 regardless of whether or not the person maintains or has a place of business
- 9 in Arkansas.

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- 11 SECTION 6. Arkansas Code § 23-112-301(d), concerning required licenses
- 12 under the Arkansas Motor Vehicle Commission Act, is amended to read as
- 13 follows:
- (d)(1) No person may A person shall not engage in the business of
- buying, selling, or exchanging motor vehicles, unless he or she:
- 16 (A) Holds a valid <u>motor vehicle dealer</u> license issued by
- 17 the commission for the makes of motor vehicles being bought, sold, or
- 18 exchanged; or
- 19 (B) Is a bona fide employee or agent of the <del>licensee</del>
- 20 licensed motor vehicle dealer.
- 21 (2) For purposes of As used in this subsection, "engage in the
- 22 business of buying, selling, or exchanging motor vehicles" means:
- 23 (A) Displaying for sale motor vehicles on a lot or
- 24 showroom;
- 25 (B) Advertising for sale new motor vehicles regardless of
- 26 the medium used; or
- 27 (C) Regularly or actively soliciting buyers for motor
- 28 vehicles.

- 30 SECTION 7. Arkansas Code § 23-112-303(c) and (d), concerning required
- 31 license application fees under the Arkansas Motor Vehicle Commission Act, are
- 32 amended to read as follows:
- 33 (c) The schedule of license fees to be charged and received by the
- 34 Arkansas Motor Vehicle Commission for the licenses issued <del>pursuant to</del> under
- 35 this subchapter shall be as follows:
- 36 (1) For each manufacturer, distributor, factory branch and

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1 division, or distributor branch and division, second-stage manufacturer, 2 importer, and converter, nine hundred dollars (\$900); (2) For each motor vehicle dealer or motor vehicle lessor, one 3 4 hundred dollars (\$100); 5 (3) For each manufacturer, distributor, or factory 6 representative, four hundred dollars (\$400); 7 (4) For each motor vehicle salesperson, fifteen dollars 8 (\$15.00);(5) For each branch location, twenty-five dollars (\$25.00); and 9 10 (6)(5) For each replacement certificate of license, ten dollars 11 (\$10.00). 12 (d)(1) Any A person, firm, or corporation required to be licensed under this subchapter who that fails to make application for the license at 13 14 the time required shall pay a penalty of fifty percent (50%) of the amount of 15 the license fee for each thirty (30) days of default, in addition to the fees 16 required to be paid pursuant to under subsection (c) of this section. 17 (2) However, the The penalty under subdivision (d)(1) of this 18 section may be waived, in whole or in part, within the discretion of the 19 commission. 20 (2) License applications for sales personnel shall be received 21 in the commission office within thirty (30) days of employment. 22 23 SECTION 8. Arkansas Code § 23-112-306 is repealed. 23-112-306. Display of license - Change of employer - Salesperson. 24 25 (a) Every motor vehicle salesperson shall have his or her license upon 26 his or her person or displayed at his or her place of employment, except as 27 provided in this section, when engaged in his or her business and shall display the license upon request. The name and address of the applicant shall 28 29 be stated on the license. 30 (b) In case of a change of employer, the following procedure shall be 31 adhered to: 32 (1) Within three (3) days following the change, the licensee 33 shall notify in writing the Arkansas Motor Vehicle Commission for its 34 endorsement; 35 (2) Within three (3) days following the termination of

employment of the licensee, the last employer of the licensee shall make a

1 report to the commission setting forth the reasons why the services of the 2 licensee were terminated and such other information as may be required by the 3 commission: 4 (3) Upon receipt by the commission of the licensee's written 5 notification and the last employer's report, the commission shall determine 6 if it has grounds to believe, and does believe, that the licensee is no 7 longer qualified under the provisions of this chapter as a motor vehicle salesperson. Under such circumstances, the commission shall immediately 8 9 notify the licensee and the licensee's new employer in writing that a hearing will be held for the purpose of determining whether his or her license should 10 11 be revoked or suspended, specifying the grounds for revocation or suspension, 12 as the case may be, and the time and place for the hearing. The hearing and any and all appeals by the licensee with respect thereto shall be in 13 14 accordance with the provisions of § 23-112-501 et seq.; and 15 (4)(A) If, after the commission receives the licensee's license 16 and fee and his or her last employer's report, the Executive Director of the Arkansas Motor Vehicle Commission cannot for any reason endorse and mail to 17 18 the licensee his or her license within a period of three (3) days following 19 the receipt by the commission of the licensee's license and fee and his or 20 her last employer's report, then and in that event the executive director 21 shall mail to the licensee a permit in such form as the commission shall 22 prescribe. (B) The permit shall serve in lieu of a license until such 23 time as the commission endorses and mails the license to the licensee. or 24 until such time as the licensee's license is revoked or suspended in 25 26 accordance with the provisions of this chapter. (C) If the license is ultimately revoked or suspended, 27 28 then immediately upon the revocation or suspension the licensee shall return the permit to the commission for cancellation. 29 30 (c) The commission shall maintain a permanent file with respect to each licensed motor vehicle salesperson. Each file shall contain all 31 32 pertinent information with respect to the fitness and qualifications of each 33 licensee for the use by the commission in determining from time to time whether his or her license should be revoked or suspended. 34 35 (d) There is no intent under this chapter to prevent a salesperson who 36 has not previously been licensed as a salesperson from selling during the

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     time required to process his or her application. The applicant shall be
 2
     allowed to sell from the date of employment as long as the applicant and his
     or her dealer follow the procedure for license application.
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 4
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           SECTION 9. Arkansas Code § 23-112-307 is amended to read as follows:
 6
           23-112-307. Expiration of license.
 7
           Unless the Arkansas Motor Vehicle Commission by rule provides to the
8
     contrary, all licenses issued to:
9
                 (1) Manufacturers, distributors, factory or distributor
10
     branches, importers, second-stage manufacturers, converters, and their
11
     representatives expire June 30 following the date of issue; and
12
                 (2) Motor vehicle dealers, motor vehicle salespersons, and motor
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     vehicle lessors expire December 31 following the date of issue.
14
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           SECTION 10. Arkansas Code § 23-112-308(a)(1)(A), concerning the
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     denial, revocation, and suspension of licenses under the Arkansas Motor
17
     Vehicle Commission Act, is amended to read as follows:
18
                 (1)(A) For selling or soliciting sales of a motor vehicle
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     without:
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                             (i) a A motor vehicle dealer license issued by the
21
     commission; or
22
                             (ii) Being a bona fide employee or agent of a
23
     licensed motor vehicle dealer.
24
25
           SECTION 11. Arkansas Code § 23-112-402 is amended to read as follows:
           23-112-402. Dealer and salesperson Motor vehicle dealer.
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27
           It shall be is unlawful for a motor vehicle dealer or a motor vehicle
28
     salesperson:
29
                 (1)(A) To require a purchaser of a motor vehicle, as a condition
30
     of sale and delivery thereof of the motor vehicle, to also purchase special
     features, appliances, equipment, parts, or accessories not desired or
31
32
     requested by the purchaser.
33
                             (B) However, this prohibition shall not apply as the
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     prohibition under subdivision (1)(A) of this section does not apply to
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     special features, appliances, equipment, parts, or accessories which that are
36
     already installed on the ear motor vehicle when received by the motor vehicle
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As Engrossed: \$3/17/21 HB1355

1	dealer;		
2	(2) To represent and sell as a new motor vehicle any motor		
3	vehicle which that has been used and operated for demonstration purposes or		
4	which that is otherwise a used motor vehicle; or		
5	(3) To resort to or use any false or misleading advertisement in		
6	connection with his or her business as a motor vehicle dealer or motor		
7	vehicle salesperson.		
8			
9	SECTION 12. Arkansas Code § 23-112-1002(2), concerning the General		
10	Assembly's police power to regulate certain entities under the Recreational		
11	Vehicle Franchise Act, is amended to read as follows:		
12	(2) It is necessary, in the exercise of the General Assembly's		
13	police power, to regulate and to license recreational vehicle manufacturers,		
14	factory branches and divisions, distributors, distributor branches and		
15	divisions, distributor representatives, and dealers, and salespersons doing		
16	business in Arkansas to:		
17	(A) Prevent fraud, unfair practices, discrimination,		
18	impositions, and other abuses upon the citizens of Arkansas;		
19	(B) Foster and keep alive vigorous and healthy		
20	competition;		
21	(C) Prevent the creation or perpetuation of monopolies;		
22	(D) Prevent the practice of requiring the buying of		
23	special features, accessories, special models, appliances, and equipment not		
24	desired by a recreational vehicle dealer or the ultimate purchaser;		
25	(E) Prevent false and misleading advertising;		
26	(F) Promote and keep alive a sound system of distribution		
27	of recreational vehicles to the public; and		
28	(G) Promote the public safety and welfare.		
29			
30	SECTION 13. Arkansas Code § 23-112-1003(16)-(20), concerning the		
31	various definitions under the Recreational Vehicle Franchise Act, are amended		
32	to read as follows:		
33	(16) "Recreational vehicle salesperson" means a person who:		
34	(A) Is employed by a dealer as a salesperson whose duties		
35	include the selling or offering for sale of recreational vehicles;		
36	(B) For compensation of any kind acts as a salesperson,		

I	agent, or representative of a dealer;
2	(C) Attempts to or in fact negotiates a sale of a
3	recreational vehicle owned partially or entirely by a dealer; and
4	(D) Uses the financial resources, line of credit, or floor
5	plan of a dealer to purchase, sell, or exchange an interest in a recreational
6	vehicle;
7	(17) "Supplier" means a person, firm, corporation, or business
8	entity that engages in the manufacturing of recreational vehicle parts,
9	accessories, or components;
10	$\frac{(18)(17)}{(17)}$ "Transient customer" means a person who:
11	(A) Owns a recreational vehicle;
12	(B) Is temporarily traveling through a dealer's area of
13	sales responsibility;
14	(C) Engages a dealer to perform service work on that
15	recreational vehicle; and
16	(D) Requires repairs that relate to the safe operation of
17	that recreational vehicle that $\overline{\mbox{,}}$ if not undertaken are of a nature that would
18	render that recreational vehicle unusable for its intended purpose;
19	(19)(18) "Travel trailer" means a recreational vehicle designed
20	to be towed by a motorized vehicle; and
21	$\frac{(20)(A)(19)(A)}{(19)(A)}$ "Warrantor" means a person, firm, corporation, or
22	business entity, including without limitation a manufacturer or supplier,
23	that provides a written warranty to the consumer in connection with a new
24	recreational vehicle or accessories, parts, or components of a new
25	recreational vehicle.
26	(B) "Warrantor" does not include service contracts,
27	mechanical or other insurance, or extended warranties sold for separate
28	consideration by a dealer or other person not controlled by a manufacturer.
29	
30	SECTION 14. Arkansas Code $\S 23-112-1004(a)(2)$ , concerning unlawful
31	acts regarding license requirements under the Recreational Vehicle Franchise
32	Act, is amended to read as follows:
33	(2) Engaging in the business as, serving in the capacity of, or
34	acting as a new recreational vehicle dealer, recreational vehicle
35	salesperson, recreational vehicle manufacturer, recreational vehicle
36	distributor, recreational vehicle factory representative, or recreational

1 vehicle manufacturer representative in this state without first obtaining a 2 license as provided in this subchapter; or 3 4 SECTION 15. Arkansas Code § 23-112-1004(c)(1)(A), concerning license 5 requirements and application fees under the Recreational Vehicle Franchise 6 Act, is amended to read as follows: 7 (A) Holds a valid dealer license issued by the Arkansas 8 Motor Vehicle Commission for the make of recreational vehicles being bought, sold, or exchanged; or 9 10 11 SECTION 16. Arkansas Code § 23-112-1004(d)(3)(D)-(F), concerning 12 license requirements and application fees under the Recreational Vehicle Franchise Act, are amended to read as follows: 13 14 (D) For each recreational vehicle salesperson, fifteen 15 dollars (\$15.00); 16 (E) For each branch location, twenty-five dollars 17 (\$25.00); and 18 (F)(E) For each replacement certificate of license, ten 19 dollars (\$10.00). 20 21 SECTION 17. Arkansas Code § 23-112-1008 is repealed. 22 23-112-1008. Display of license Change of employer - Salesperson. 23 (a)(1) Except as provided in this section, a recreational vehicle salesperson shall have his or her license upon his or her person or displayed 24 at his or her place of employment when engaged in his or her business and 25 26 shall display the license upon request. 27 (2) The name and address of the applicant shall be stated on the 28 license. 29 (b) In case of a change of employer, the following procedure shall be 30 followed: 31 (1) Within three (3) days following the change of employer, the 32 licensee shall notify in writing the Arkansas Motor Vehicle Commission for 33 its endorsement; 34 (2) Within three (3) days following the termination of 35 employment of the licensee, the last employer of the licensee shall make a 36 report to the commission setting forth the reasons that the services of the

1 licensee were terminated and such other information as may be required by the 2 commission: 3 (3)(A) Upon receipt by the commission of the licensee's written 4 notification and the last employer's report, the commission shall determine 5 if it has grounds to believe, and does believe, that the licensee is no 6 longer qualified under this subchapter as a recreational vehicle salesperson. 7 (B) Under such circumstances, the commission shall 8 immediately notify the licensee and the licensee's new employer in writing 9 that a hearing will be held for the purpose of determining whether his or her license should be revoked or suspended, specifying the grounds for revocation 10 11 or suspension, as the case may be, and the time and place for the hearing. 12 (C) The hearing and any appeal by the licensee with 13 respect to the hearing shall comply with § 23-112-501 et seq.; and 14 (4)(A) If after the commission receives the licensee's license 15 and fee and his or her last employer's report the Executive Director of the Arkansas Motor Vehicle Commission cannot for any reason endorse and mail to 16 17 the licensee his or her license within a period of three (3) days following 18 the receipt by the commission of the licensee's license and fee and his or 19 her last employer's report, then the executive director shall mail to the 20 licensee a permit in such form as the commission shall prescribe. (B) The permit shall serve in lieu of a license until such 21 22 time as the: (i) Commission endorses and mails the license to the 23 24 licensee: or 25 (ii) Licensee's license is revoked or suspended in 26 accordance with this subchapter. (C) If the license is ultimately revoked or suspended, 27 28 then immediately upon the revocation or suspension the licensee shall return the permit to the commission for cancellation. 29 30 (c)(1) The commission shall maintain a permanent file with respect to each licensed recreational vehicle salesperson. 31 32 (2) Each file shall contain all pertinent information with 33 respect to the fitness and qualifications of each licensee for use by the 34 commission in determining whether his or her license should be revoked or 35 suspended. 36 (d)(1) There is no intent under this subchapter to prevent a

1	salesperson who has not previously been licensed as a salesperson from		
2	selling during the time required to process his or her application.		
3	(2) The applicant shall be allowed to sell from the date of		
4	employment as long as the applicant and his or her dealer follow the		
5	procedure for license application.		
6			
7	SECTION $18$ . Arkansas Code § 23-112-1009(2), concerning the expiration		
8	of a license under the Recreational Vehicle Franchise Act, is amended to read		
9	as follows:		
10	(2) Recreational vehicle dealers and salespersons expire		
11	December 31 following the date of issue.		
12			
13	SECTION 19. Arkansas Code § 23-112-1019(a)(1)(A), concerning the		
14	denial, revocation, and suspension of a license under the Recreational		
15	Vehicle Franchise Act, is amended to read as follows:		
16	(1)(A) Selling or soliciting sales of a recreational vehicle		
17	without:		
18	(i) a A dealer license issued by the commission; or		
19	(ii) Being a bona fide employee or agent of a		
20	licensed dealer.		
21			
22	SECTION 20. Arkansas Code § 23-112-1019(a)(15), concerning the denial,		
23	revocation, and suspension of a license under the Recreational Vehicle		
24	Franchise Act, is amended to read as follows:		
25	(15) For a person representing that he or she is a dealer <del>or</del>		
26	salesperson, either verbally or in an advertisement, when the person is not		
27	licensed as a dealer <del>or salesperson</del> ;		
28			
29	SECTION $21$ . Arkansas Code § 25-30-102(a), concerning powers and duties		
30	of the Office of Skills Development and the Career Education and Workforce		
31	Development Board, is amended to add an additional subdivision to read as		
32	follows:		
33	(12) Review and approve Automotive Technologist Education Grant		
34	applications.		

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2	APPROVED:	4/1/21
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