

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 746 of the Regular Session

As Engrossed: H3/12/07 H3/14/07 S3/23/07

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 2345

4
5 By: Representative Wills
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7

8 **For An Act To Be Entitled**

9 AN ACT TO AMEND THE ARKANSAS MOTOR VEHICLE
10 COMMISSION ACT, § 23-112-101 ET SEQ.; AND FOR
11 OTHER PURPOSES.
12

13 **Subtitle**

14 TO AMEND THE ARKANSAS MOTOR VEHICLE
15 COMMISSION ACT, § 23-112-101 ET SEQ.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 23-112-313(b)(2), concerning rate of
21 compensation, is amended to read as follows:

22 (2) In the determination of what constitutes reasonable compensation
23 under this subsection, the principal factor to be given consideration shall
24 be the prevailing wage rates, exclusive of routine maintenance, being paid by
25 the dealer in the relevant market area in which the motor vehicle dealer is
26 doing business, and in no event shall the compensation of a motor vehicle
27 dealer for warranty or recall service be less than the rates charged by the
28 dealer for like service to retail customers for nonwarranty service and
29 repairs. Additionally, there shall be no requirement for part-by-part
30 analysis in determining the retail rate for parts.
31

32 SECTION 2. Arkansas Code § 23-112-313(b)(3)(C), concerning right to
33 appeal warranty and incentive chargeback, is amended to add an additional
34 subdivision to read as follows:

35 (iv)(a) A dealer may file an appeal with the



1 Arkansas Motor Vehicle Commission to protest any chargeback under this
 2 subdivision (b)(3)(C) within thirty (30) days of notification by the
 3 manufacturer or distributor.

4 (b) If a dealer files an appeal of the
 5 chargeback with the commission, the manufacturer or distributor shall not
 6 levy the chargeback until the appeal is resolved. The commission shall hold
 7 a hearing on the matter no later than one hundred twenty (120) days from the
 8 time the appeal is filed unless all parties have otherwise agreed to settle
 9 the matter.

10 (c) An appeal by the licensee under this
 11 subdivision (b)(3)(C)(iv) shall be in accordance with the provisions of § 23-
 12 112-501 et seq.

13
 14 *SECTION 3. Arkansas Code § 23-112-403(a)(2)(E)(ii)(c), concerning the*
 15 *vehicle price offered to a dealer by the manufacturer, is amended to read as*
 16 *follows:*

17 *(c) So long as a manufacturer or distributor,*
 18 *or any agent thereof, offers to ~~sell or sells new motor vehicles to all motor~~*
 19 *~~vehicle dealers at the same price~~ piggyback bid allowances to all motor*
 20 *vehicle dealers of the same line-make at the same allowance for sales to a*
 21 *local government in that dealer's relevant market area.*

22
 23 *SECTION 4. Arkansas Code § 23-112-403(a)(2), concerning ownership and*
 24 *distribution of a line-make, is amended to add an additional subdivision to*
 25 *read as follows:*

26 (P)(i) To fail to continue in full force and operation a
 27 motor vehicle dealer franchise agreement, notwithstanding a change, in whole
 28 or in part, of an established plan or system of distribution or ownership of
 29 the manufacturer of the motor vehicles offered for sale under the franchise
 30 agreement.

31 (ii) The appointment of a new importer or
 32 distributor for motor vehicles offered for sale under a franchise agreement
 33 described in subdivision (a)(2)(P)(i) of this section shall be deemed to be a
 34 change of an established plan or system of distribution.

35
 36 /s/ Wills

APPROVED: 3/30/2007