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LEGISLATIVE RESEARCH

UMVD RULE 2.12. Violations and Penalties

- A. For violations of this Act and/or these Rules, the Director may charge an applicant or licensee criminally as prescribed by Arkansas Code Annotated § 23-112-603(a)(1) - (3). In addition to or instead of charging the applicant or licensee criminally pursuant Arkansas Code Annotated § 23-112-603(a)(1) - (3), the Director may issue a fine in an amount not to exceed one thousand dollars (\$1,000.00) for each violation of Arkansas Code Annotated § 23-112-605. If the Director fines an applicant or licensee, the Director may enter into consent judgments with the applicant or licensee providing for the payment of agreed upon fines not to exceed one thousand dollars (\$1,000.00) per violation in lieu of a hearing and/or other administrative action.
- B. The Director may deny an application for a certificate of license or its renewal ~~or~~ Ssuspend or revoke a license if it is determined the applicant or licensee has:
1. Made a material misstatement in the application for or the renewal of a license.
  2. Practiced fraud, deceit, or misrepresentation.
  3. Demonstrated incompetence or untrustworthiness in their actions.
  4. Violated any provisions of the "Act" and/or these rules.

**Rule 4. Mandatory Educational Seminar**

**4.1.** ~~All applicants for a license as a used motor vehicle dealer, as described in Ark. Code Ann. Section 23-112-601 et seq. prior to obtaining a license, are required to attend a Department approved educational seminar.~~

**4.2.** ~~In order to be approved by the Department, a seminar must meet the following criteria to the satisfaction of the Department:~~

- A. ~~The seminar must be sponsored by a non-profit corporation, authorized to conduct business in Arkansas, that develops and presents educational programs which enhance the knowledge and competence of used motor vehicle dealers, their sales persons and service personnel for the benefit of the public; and~~
- B. ~~The names of the individuals who will be conducting the seminar must be submitted with the application for approval of the seminar. Said individuals shall demonstrate knowledge of these rules and general provisions by having at least one year of experience with the used motor vehicle industry in Arkansas or a related area as determined by the Department; and~~
- C. ~~The proposal for approval of a seminar shall include a course outline, along with proposed materials to be used in the instruction. The course outline must provide for, at a minimum, instruction in each of the following areas:~~
- ~~i. Requirements of Act 490 of 1993, as amended, for obtaining a license as a used motor vehicle dealer;~~
  - ~~ii. Overview of related state statutes, regulations and Department rules;~~
  - ~~iii. Laws concerning titles, tags, and taxes;~~
  - ~~iv. Applicable laws and rules concerning required record keeping;~~
  - ~~v. The Deceptive Trade Practices Act, including, but not~~

~~limited to, advertising, unfair and deceptive sales practices and odometer requirements;~~

~~vi. Such general discussion items as may be determined by the Department to be of significance or concern.~~

~~D. The course of instruction of the required seminar shall be no less than three (3) hours.~~

~~E. The course of instruction shall be attended by a bona fide, full-time employee of the applicant used motor vehicle dealership. The attendee shall attend the full time of the prescribed course. Failure of the attendee to attend the full time of the prescribed course shall cause the applicant's license to be delayed until such time as the course requirement is fulfilled.~~

~~F. In the event the employee attending the required course as a representative of the licensee shall cease employment with the licensee company for any reason, the licensee company shall within ten (10) days notify the Department. The licensee shall then designate another bona fide, full-time employee who must complete the mandatory course within 120 days of the date of such notification.~~

**4.3.** ~~The corporation administering the mandatory course shall be certified by the Department. Application for certification shall be on a form prescribed by the Department, and shall include the following:~~

~~A. Names and addresses of all individuals who will be utilized in any manner during the course of instruction; and~~

~~B. Names and addresses of all officers of the corporation; and~~

~~C. Documentation to demonstrate the experience and qualifications of all persons who will instruct any portion of the mandatory course; and~~

~~D. A list of the times, dates and locations of all courses to be taught, provided such list may be changed or updated if notification of such change or updating is provided to the Department a minimum of seven (7) days prior to the course being presented.~~

~~E. Such application shall be accompanied by material prescribed in Rule 4.2 (B) and Rule 4.2 (C) of these Rules and shall be in typewritten or computer generated form.~~

**4.4.** ~~A corporation certified by the Department to conduct the mandatory training course may utilize video equipment for the presentation of portions of the course in lieu of live instructors, provided that a copy of the video has been presented to the Department and the Department has provided written approval of the contents; provided that when such video is utilized, the certified corporation shall provide a proctor or proctors to assure attendance of the applicants for licensing. Such manner for proctoring shall be approved by the Department prior to implementation of the use of video equipment as an alternative to live instructors.~~

**4.5.** ~~A corporation certified by the Department to conduct the mandatory training course shall, within five (5) days of the completion of such course, provide to the Department on a form prescribed by the Department a list of all persons completing the course and, in the case of a renewal of license, the Department assigned control number of the license.~~

**4.6.** ~~Failure of any corporation certified by the Department, or any licensee, to fulfill the requirements of this Rule shall result in suspension or revocation of the certification of the corporation or the license of the licensee. Provided, the corporation or licensee shall have the~~

~~right to appeal such suspension or revocation as provided in Rule 3 of these Rules.~~

**Rule 45.** Reciprocal, Temporary, and Expedited Licensure

**5.1.4.1.** An applicant who holds a Used Motor Vehicle Dealer License in another state, territory, or district of the United States may obtain a reciprocal Arkansas license if he or she meets the requirements set forth in Ark. Code Ann. § 23-112-607. The reciprocity applicant must submit the required forms and applicable fees.

**5.2.4.2.** An applicant for a reciprocal Arkansas license who resides in a state, territory, or district of the United States that does not require licensure to sell used motor vehicles may obtain a reciprocal Arkansas license if he or she meets the requirements set forth in Ark. Code Ann. § 23-112-607. The reciprocity applicant must submit the required forms and applicable fees.

**5.3.4.3.** An applicant for a temporary Arkansas license may obtain a six (6) month temporary Arkansas license if he or she meets the requirements set forth in Ark. Code Ann. § 23-112-607. The temporary applicant must submit the required forms and applicable fees.

**5.4.4.4.** The Division will expedite the licensure process for:

- A. A uniformed service member stationed in the State of Arkansas;
- B. A uniformed service veteran who resides in or establishes residency in the State of Arkansas;
- C. The spouse of:
  - i. A person listed in subdivision (a) or (b) of this Rule;
  - ii. A uniformed service member who is assigned a tour of duty that excludes the uniformed service member's spouse from accompanying the uniformed service member and the spouse relocates to this state; and
  - iii. A uniformed service member who is killed or succumbs to his or her injuries or illness in the line of duty if the spouse establishes a residency in this state.

To qualify for expedited licensure, the applicant must notate his or her status on the application and provide the Division with a copy of the active duty orders or DD214.

State of Arkansas  
94th General Assembly  
Regular Session, 2023

# A Bill

HOUSE BILL 1671

By: Representative Pearce  
By: Senator J. Petty

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE PENALTIES  
IMPOSED ON A USED MOTOR VEHICLE DEALER FOR A  
VIOLATION OF THE REQUIRED LICENSING LAWS; AND FOR  
OTHER PURPOSES.

## Subtitle

TO AMEND THE LAW CONCERNING THE PENALTIES  
IMPOSED ON A USED MOTOR VEHICLE DEALER  
FOR A VIOLATION OF THE REQUIRED LICENSING  
LAWS.

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

SECTION 1. Arkansas Code § 23-112-603(a), concerning the penalties and  
disbursement of fines for a violation concerning the selling of used motor  
vehicles, is amended to read as follows:

(a) In addition to any other penalty prescribed by existing laws, the  
penalties for violation of this subchapter and the disbursement of fines  
shall be as follows:

(1) A first violation of this subchapter ~~by any person shall~~  
~~constitute~~ is a Class A misdemeanor;

(2) A second violation of this subchapter ~~by any person shall~~  
~~constitute~~ is a Class D felony; ~~and~~

(3) ~~Conviction of a~~ A third or subsequent violation ~~shall~~  
~~constitute~~ is a Class D felony, and the dealer's license shall be suspended  
for three (3) years for each respective third or subsequent violation; and



1           (4) In addition to or instead of the penalties listed under  
2 subdivisions (a)(1)-(3) of this section, the Director of the Division of  
3 Arkansas State Police may issue a fine in an amount not to exceed one  
4 thousand dollars (\$1,000) for each violation of this subchapter.

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