

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1773

By: Representative D. Wood

"AN ACT TO AMEND ARKANSAS STATUTE 75-2305 TO GRANT THE MOTOR VEHICLE COMMISSION THE AUTHORITY TO CONTROL THE TRANSFER OF DEALERSHIP FRANCHISES; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsections (i) and (j) of subsection (4) of subsection (A) of Section 5 of Act 388 of 1975, the same being Arkansas Statute 75-2305(A) (4)(i) and (j), are hereby amended to read as follows:

"(i) Notwithstanding the terms of any franchise agreement, to fail to give effect to or attempt to prevent any sale or transfer of a dealer, dealership, or franchise or interest therein, or management thereof unless it is shown to the Commission after hearing that the result of such sale or transfer will be detrimental to the public or the representation of the manufacturer or distributor.

(j) Notwithstanding the terms of any franchise agreement, to prevent, attempt to prevent or refuse to honor the succession to a dealership by any legal heir or devisee under the will of a dealer or under the laws of descent and distribution applicable to the decedent's estate, unless it is shown to the Commission, after notice and hearing, that the result of such succession will be detrimental to the public interest or to the representation of the manufacturer or distributor; provided, however, nothing herein shall prevent a dealer, during his lifetime, from designating any person as his successor dealer by written instrument filed with the manufacturer or distributor."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

