

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.

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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## For An Act To Be Entitled

8  
9 AN ACT TO AMEND THE ARKANSAS MOTOR VEHICLE  
10 COMMISSION ACT, § 23-112-101 ET SEQ.; AND FOR  
11 OTHER PURPOSES.  
12

## Subtitle

13  
14 TO AMEND THE ARKANSAS MOTOR VEHICLE  
15 COMMISSION ACT, § 23-112-101 ET SEQ.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code § 23-112-313(a), concerning warranty  
21 reimbursement, is amended to read as follows:

22 (a)(1) Every manufacturer, distributor, wholesaler, distributor branch  
23 or division, factory branch or division, or wholesale branch or division  
24 shall properly fulfill any warranty or recall agreement and adequately and  
25 fairly compensate each of its motor vehicle dealers for labor and parts.

26 (2) A manufacturer, distributor, wholesaler, distributor branch  
27 or division, factory branch or division, or wholesale branch or division may  
28 not otherwise recover its costs for reimbursing a dealer for parts and labor  
29 pursuant to this section.  
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31 SECTION 2. Arkansas Code § 23-112-313(b)(2), concerning rate of  
32 compensation, is amended to read as follows:

33 (2) In the determination of what constitutes reasonable compensation  
34 under this subsection, the principal factor to be given consideration shall  
35 be the prevailing wage rates, exclusive of routine maintenance, being paid by  
36 the dealer in the relevant market area in which the motor vehicle dealer is



1 doing business, and in no event shall the compensation of a motor vehicle  
 2 dealer for warranty or recall service be less than the rates charged by the  
 3 dealer for like service to retail customers for nonwarranty service and  
 4 repairs.

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

9 (iv)(a) A dealer may file an appeal with the  
 10 Arkansas Motor Vehicle Commission to protest any chargeback under this  
 11 subdivision (b)(3)(C) within thirty (30) days of notification by the  
 12 manufacturer or distributor.

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

19 (c) An appeal by the licensee under this  
 20 subdivision (b)(3)(C)(iv) shall be in accordance with the provisions of § 23-  
 21 112-501 et seq.

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 23 SECTION 4. Arkansas Code § 23-112-403(a)(2)(K)(i), concerning the buy  
 24 back provision, is amended to read as follows:

25 (i) The dealer cost plus any charges by the  
 26 manufacturer, distributor, or a representative for distribution, delivery,  
 27 and taxes, less all allowances paid to the dealer by the manufacturer,  
 28 distributor, or representative for new, unsold, undamaged, and complete motor  
 29 vehicles;

30 (a) ~~of~~ Of current model year and one (1) year  
 31 prior model year in the dealer's inventory; or

32 (b) If the current model is released before  
 33 the first day of August of the current model year, of current model year and  
 34 two (2) years' prior model year in the dealer's inventory;

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 36 SECTION 5. Arkansas Code § 23-112-403(a)(2), concerning ownership and

1 distribution of a line-make, is amended to add an additional subdivision to  
2 read as follows:

3 (P)(i) To fail to continue in full force and operation a  
4 motor vehicle dealer franchise agreement, notwithstanding a charge, in whole  
5 or in part, of an established plan or system of distribution or ownership of  
6 the manufacturer of the motor vehicles offered for sale under the franchise  
7 agreement.

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

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