

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
4

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

A Bill

HOUSE BILL 2345

5 By: Representative Wills
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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

Subtitle

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)(E)(ii)(c), concerning the
24 vehicle price offered to a dealer by the manufacturer, is amended to read as
25 follows:

26 (c) So long as a manufacturer or distributor,
27 or any agent thereof, offers to ~~sell or sells new motor vehicles to all motor~~
28 ~~vehicle dealers at the same price~~ piggyback bid allowances to all motor
29 vehicle dealers at the same allowance for sales to a local government in that
30 dealer's relevant market area.

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32 SECTION 5. Arkansas Code § 23-112-403(a)(2), concerning ownership and
33 distribution of a line-make, is amended to add an additional subdivision to
34 read as follows:

35 (P)(i) To fail to continue in full force and operation a
36 motor vehicle dealer franchise agreement, notwithstanding a change, in whole

1 or in part, of an established plan or system of distribution or ownership of
2 the manufacturer of the motor vehicles offered for sale under the franchise
3 agreement.

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

8
9 /s/ Wills
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