1	State of Arkansas	A 70.111	
2	93rd General Assembly	A Bill	
3	Regular Session, 2021		HOUSE BILL 1355
4			
5	By: Representative Dotson		
6			
7		For An Act To Be Entitled	
8	AN ACT TO AM	END THE ARKANSAS MOTOR VEHICLE COM	MISSION
9	ACT; TO AMEN	D THE RECREATIONAL VEHICLE FRANCHI	SE ACT;
10	TO REMOVE LI	CENSING REQUIREMENTS FOR A MOTOR V	EHICLE
11	SALESPERSON A	AND A RECREATIONAL VEHICLE SALESPE	ERSON;
12	TO CREATE TH	E AUTOMOTIVE TECHNOLOGIST EDUCATION	ON GRANT
13	PROGRAM AND	THE AUTOMOTIVE TECHNOLOGIST EDUCAT	CION
14	GRANT FUND;	AND FOR OTHER PURPOSES.	
15			
16			
17		Subtitle	
18	TO REMO	OVE LICENSING REQUIREMENTS FOR A	
19	MOTOR V	EHICLE SALESPERSON AND A	
20	RECREAT	CIONAL VEHICLE SALESPERSON; AND TO	
21	CREATE	THE AUTOMOTIVE TECHNOLOGIST	
22	EDUCATI	ON GRANT PROGRAM AND FUND.	
23			
24			
25	BE IT ENACTED BY THE GEN	ERAL ASSEMBLY OF THE STATE OF ARKA	ANSAS:
26			
27	SECTION 1. Arkans	as Code Title 19, Chapter 5, Subch	napter 12, is
28	amended to add an addition	onal section to read as follows:	
29	19-5-1269. Automo	tive Technologist Education Grant	Fund.
30	(a) There is esta	blished on the books of the Treasu	irer of State, the
31	Auditor of State, and the	e Chief Fiscal Officer of the Stat	te a fund to be
32	known as the "Automotive	Technologist Education Grant Fund	<u>1".</u>
33	(b) The Arkansas l	Motor Vehicle Commission shall per	riodically remit to
34	the Treasurer of State f	ive percent (5%) of the fees the c	commission collects
35	from the issuance of lice	enses by the commission, and the I	reasurer of State
36	shall deposit those fund	s into the fund.	

1	(c) The Division of Career and Technical Education may receive gifts,
2	grants, bequests, devises, and donations made to the division, amounts
3	received as matching funds from eligible organizations participating in the
4	Automotive Technologist Education Grant Program under § 25-30-110, and any
5	other funds authorized by law to be used in the furtherance of the purposes
6	of the program.
7	(d) In addition, the division may accept gifts, grants, or donations
8	$\underline{\text{from the United States Government or agencies of the United States Government}}$
9	$\underline{\text{and private individuals, foundations, or concerns to be used for the purposes}$
10	of the program.
11	(e) The fund may be used by the division to issue Automotive
12	Technologist Education Grants for the program.
13	
14	SECTION 2. Arkansas Code § 23-112-102(b), concerning the purpose and
15	legislative findings of the Arkansas Motor Vehicle Commission Act, is amended
16	to read as follows:
17	(b) The General Assembly further finds and declares that it is
18	necessary, in the exercise of its police power, to regulate and to license
19	motor vehicle manufacturers, factory branches and divisions, distributors,
20	distributor branches and divisions, distributor representatives, $\underline{\text{and}}$ new
21	motor vehicle dealers, and salespersons doing business in Arkansas in order
22	to:
23	(1) Prevent frauds, unfair practices, discrimination,
24	impositions, and other abuses upon the citizens of Arkansas;
25	(2) Avoid undue control of the independent motor vehicle dealer
26	by motor vehicle manufacturing and distributing organizations;
27	(3) Foster and keep alive vigorous and healthy competition;
28	(4) Prevent the creation or perpetuation of monopolies;
29	(5) Prevent the practice of requiring the buying of special
30	features, accessories, special models, appliances, and equipment not desired
31	by a motor vehicle dealer or the ultimate purchaser;
32	(6) Prevent false and misleading advertising;
33	(7) Promote and keep alive a sound system of distribution of
34	motor vehicles to the public; and

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(8) Promote the public safety and welfare.

1	SECTION 3. Arkansas Code § 23-112-103(b)(23), concerning the	
2	definition of "motor vehicle salesperson" under the Arkansas Motor Vehicle	
3	Commission Act, is repealed.	
4	(23) "Motor vehicle salesperson" means any person who:	
5	(A) Is employed as a salesperson by a motor vehicle dealer	
6	whose duties include the selling or offering for sale of motor vehicles;	
7	(B) For compensation of any kind, acts as a salesperson,	
8	agent, or representative of a motor vehicle dealer;	
9	(C) Attempts to or in fact negotiates a sale of a motor	
10	vehicle owned partially or entirely by a motor vehicle dealer;	
11	(D) Uses the financial resources, line of credit, or floor	
12	plan of a motor vehicle dealer to purchase, sell, or exchange any interest in	
13	a motor vehicle; and	
14	(E) Is employed by a motor vehicle dealer as a salesperson	
15	for whom a motor vehicle dealer requires to have licensure for simultaneous	
16	employment as a finance manager, insurance manager, service manager, parts	
17	manager, or other specified office personnel concerned with the sale of a	
18	motor vehicle under this chapter;	
19		
20	SECTION 4. Arkansas Code § 23-112-301(a)(2), concerning required	
21	licenses under the Arkansas Motor Vehicle Commission Act, is amended to read	
22	as follows:	
23	(2) For any person to engage in business as, serve in the	
24	capacity of, or act as a new motor vehicle dealer, motor vehicle salesperson,	
25	motor vehicle lessor, manufacturer, importer, distributor, factory branch or	
26	division, distributor branch or division, factory representative, distributor	
27	representative, second-stage manufacturer, or converter, as such, in Arkansas	
28	without first obtaining a license therefor as provided in this chapter,	
29	regardless of whether or not the person maintains or has a place of business	
30	in Arkansas.	
31		
32	SECTION 5. Arkansas Code § 23-112-301(d), concerning required licenses	
33	under the Arkansas Motor Vehicle Commission Act, is amended to read as	
34	follows:	
35	(d)(1) No person may A person shall not engage in the business of	

buying, selling, or exchanging motor vehicles, unless he or she:

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1 (A) Holds a valid motor vehicle dealer license issued by 2 the commission for the makes of motor vehicles being bought, sold, or 3 exchanged; or 4 (B) Is a bona fide employee or agent of the licensee 5 licensed motor vehicle dealer. 6 (2) For purposes of As used in this subsection, "engage in the 7 business of buying, selling, or exchanging motor vehicles" means: 8 (A) Displaying for sale motor vehicles on a lot or 9 showroom; 10 (B) Advertising for sale new motor vehicles regardless of 11 the medium used; or 12 (C) Regularly or actively soliciting buyers for motor 13 vehicles. 14 15 SECTION 6. Arkansas Code § 23-112-303(c) and (d), concerning required 16 license application fees under the Arkansas Motor Vehicle Commission Act, are 17 amended to read as follows: 18 (c) The schedule of license fees to be charged and received by the 19 Arkansas Motor Vehicle Commission for the licenses issued pursuant to under 20 this subchapter shall be as follows: 21 (1) For each manufacturer, distributor, factory branch and 22 division, or distributor branch and division, second-stage manufacturer, 23 importer, and converter, nine hundred dollars (\$900); 24 (2) For each motor vehicle dealer or motor vehicle lessor, one 25 hundred dollars (\$100); 26 (3) For each manufacturer, distributor, or factory 27 representative, four hundred dollars (\$400); (4) For each motor vehicle salesperson, fifteen dollars 28 29 (\$15.00);(5) For each branch location, twenty-five dollars (\$25.00); and 30 31 (6)(5) For each replacement certificate of license, ten dollars 32 (\$10.00). (d)(l) Any \underline{A} person, firm, or corporation required to be licensed 33 34 under this subchapter who that fails to make application for the license at 35 the time required shall pay a penalty of fifty percent (50%) of the amount of 36 the license fee for each thirty (30) days of default, in addition to the fees

1 required to be paid pursuant to under subsection (c) of this section. 2 (2) However, the The penalty under subdivision (d)(1) of this section may be waived, in whole or in part, within the discretion of the 3 4 commission. 5 (2) License applications for sales personnel shall be received 6 in the commission office within thirty (30) days of employment. 7 8 SECTION 7. Arkansas Code § 23-112-306 is repealed. 9 23-112-306. Display of license - Change of employer - Salesperson. (a) Every motor vehicle salesperson shall have his or her license upon 10 11 his or her person or displayed at his or her place of employment, except as 12 provided in this section, when engaged in his or her business and shall display the license upon request. The name and address of the applicant shall 13 14 be stated on the license. 15 (b) In case of a change of employer, the following procedure shall be 16 adhered to: 17 (1) Within three (3) days following the change, the licensee 18 shall notify in writing the Arkansas Motor Vehicle Commission for its 19 endorsement: 20 (2) Within three (3) days following the termination of 21 employment of the licensee, the last employer of the licensee shall make a 22 report to the commission setting forth the reasons why the services of the 23 licensee were terminated and such other information as may be required by the 24 commission: (3) Upon receipt by the commission of the licensee's written 25 26 notification and the last employer's report, the commission shall determine 27 if it has grounds to believe, and does believe, that the licensee is no 28 longer qualified under the provisions of this chapter as a motor vehicle salesperson. Under such circumstances, the commission shall immediately 29 30 notify the licensee and the licensee's new employer in writing that a hearing will be held for the purpose of determining whether his or her license should 31 be revoked or suspended, specifying the grounds for revocation or suspension, 32 33 as the case may be, and the time and place for the hearing. The hearing and 34 any and all appeals by the licensee with respect thereto shall be in 35 accordance with the provisions of § 23-112-501 et seq.; and (4)(A) If, after the commission receives the licensee's license 36

- 1 and fee and his or her last employer's report, the Executive Director of the
- 2 Arkansas Motor Vehicle Commission cannot for any reason endorse and mail to
- 3 the licensee his or her license within a period of three (3) days following
- 4 the receipt by the commission of the licensee's license and fee and his or
- 5 her last employer's report, then and in that event the executive director
- 6 shall mail to the licensee a permit in such form as the commission shall
- 7 prescribe.
- 8 (B) The permit shall serve in lieu of a license until such
- 9 time as the commission endorses and mails the license to the licensee, or
- 10 until such time as the licensee's license is revoked or suspended in
- 11 accordance with the provisions of this chapter.
- 12 (C) If the license is ultimately revoked or suspended,
- $13 \hspace{0.5cm} \textbf{then immediately upon the revocation or suspension the licensee shall return} \\$
- 14 the permit to the commission for cancellation.
- 15 (c) The commission shall maintain a permanent file with respect to
- 16 each licensed motor vehicle salesperson. Each file shall contain all
- 17 pertinent information with respect to the fitness and qualifications of each
- 18 licensee for the use by the commission in determining from time to time
- 19 whether his or her license should be revoked or suspended.
- 20 (d) There is no intent under this chapter to prevent a salesperson who
- 21 has not previously been licensed as a salesperson from selling during the
- 22 time required to process his or her application. The applicant shall be
- 23 allowed to sell from the date of employment as long as the applicant and his
- 24 or her dealer follow the procedure for license application.

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- 26 SECTION 8. Arkansas Code § 23-112-307 is amended to read as follows:
- 27 23-112-307. Expiration of license.
- Unless the Arkansas Motor Vehicle Commission by rule provides to the
- 29 contrary, all licenses issued to:
- 30 (1) Manufacturers, distributors, factory or distributor
- 31 branches, importers, second-stage manufacturers, converters, and their
- 32 representatives expire June 30 following the date of issue; and
- 33 (2) Motor vehicle dealers, motor vehicle salespersons, and motor
- 34 vehicle lessors expire December 31 following the date of issue.

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SECTION 9. Arkansas Code § 23-112-308(a)(1)(A), concerning the denial,

1	revocation, and suspension of licenses under the Arkansas motor vehicle
2	Commission Act, is amended to read as follows:
3	(1)(A) For selling or soliciting sales of a motor vehicle
4	without:
5	(i) a A motor vehicle dealer license issued by the
6	commission; or
7	(ii) Being a bona fide employee or agent of a
8	licensed motor vehicle dealer.
9	
10	SECTION 10. Arkansas Code § 23-112-402 is amended to read as follows:
11	23-112-402. Dealer and salesperson Motor vehicle dealer.
12	It shall be <u>is</u> unlawful for a motor vehicle dealer or a motor vehicle
13	salesperson:
14	(1)(A) To require a purchaser of a motor vehicle, as a condition
15	of sale and delivery thereof of the motor vehicle, to also purchase special
16	features, appliances, equipment, parts, or accessories not desired or
17	requested by the purchaser.
18	(B) However, this prohibition shall not apply as the
19	prohibition under subdivision (1)(A) of this section does not apply to
20	special features, appliances, equipment, parts, or accessories which that are
21	already installed on the $\frac{\text{car}}{\text{motor vehicle}}$ when received by the $\frac{\text{motor vehicle}}{\text{motor vehicle}}$
22	dealer;
23	(2) To represent and sell as a new motor vehicle any motor
24	vehicle which that has been used and operated for demonstration purposes or
25	which that is otherwise a used motor vehicle; or
26	(3) To resort to or use any false or misleading advertisement in
27	connection with his or her business as a motor vehicle dealer or motor
28	vehicle salesperson.
29	
30	SECTION 11. Arkansas Code § 23-112-1002(2), concerning the General
31	Assembly's police power to regulate certain entities under the Recreational
32	Vehicle Franchise Act, is amended to read as follows:
33	(2) It is necessary, in the exercise of the General Assembly's
34	police power, to regulate and to license recreational vehicle manufacturers,
35	factory branches and divisions, distributors, distributor branches and
36	divisions, distributor representatives, and dealers, and salespersons doing

1	business in Arkansas to:
2	(A) Prevent fraud, unfair practices, discrimination,
3	impositions, and other abuses upon the citizens of Arkansas;
4	(B) Foster and keep alive vigorous and healthy
5	competition;
6	(C) Prevent the creation or perpetuation of monopolies;
7	(D) Prevent the practice of requiring the buying of
8	special features, accessories, special models, appliances, and equipment not
9	desired by a recreational vehicle dealer or the ultimate purchaser;
10	(E) Prevent false and misleading advertising;
11	(F) Promote and keep alive a sound system of distribution
12	of recreational vehicles to the public; and
13	(G) Promote the public safety and welfare.
14	
15	SECTION 12. Arkansas Code § 23-112-1003(16)-(20), concerning the
16	various definitions under the Recreational Vehicle Franchise Act, are amended
17	to read as follows:
18	(16) "Recreational vehicle salesperson" means a person who:
19	(A) Is employed by a dealer as a salesperson whose duties
20	include the selling or offering for sale of recreational vehicles;
21	(B) For compensation of any kind acts as a salesperson,
22	agent, or representative of a dealer;
23	(C) Attempts to or in fact negotiates a sale of a
24	recreational vehicle owned partially or entirely by a dealer; and
25	(D) Uses the financial resources, line of credit, or floor
26	plan of a dealer to purchase, sell, or exchange an interest in a recreational
27	vehicle;
28	(17) "Supplier" means a person, firm, corporation, or business
29	entity that engages in the manufacturing of recreational vehicle parts,
30	accessories, or components;
31	(18)(17) "Transient customer" means a person who:
32	(A) Owns a recreational vehicle;
33	(B) Is temporarily traveling through a dealer's area of
34	sales responsibility;
35	(C) Engages a dealer to perform service work on that
36	recreational vehicle; and

I	(D) Requires repairs that relate to the safe operation of
2	that recreational vehicle that $_{f au}$ if not undertaken are of a nature that would
3	render that recreational vehicle unusable for its intended purpose;
4	(19)(18) "Travel trailer" means a recreational vehicle designed
5	to be towed by a motorized vehicle; and
6	$\frac{(20)(A)(19)(A)}{(19)(B)}$ "Warrantor" means a person, firm, corporation, or
7	business entity, including without limitation a manufacturer or supplier,
8	that provides a written warranty to the consumer in connection with a new
9	recreational vehicle or accessories, parts, or components of a new
10	recreational vehicle.
11	(B) "Warrantor" does not include service contracts,
12	mechanical or other insurance, or extended warranties sold for separate
13	consideration by a dealer or other person not controlled by a manufacturer.
14	
15	SECTION 13. Arkansas Code § 23-112-1004(a)(2), concerning unlawful
16	acts regarding license requirements under the Recreational Vehicle Franchise
17	Act, is amended to read as follows:
18	(2) Engaging in the business as, serving in the capacity of, or
19	acting as a new recreational vehicle dealer, recreational vehicle
20	salesperson, recreational vehicle manufacturer, recreational vehicle
21	distributor, recreational vehicle factory representative, or recreational
22	vehicle manufacturer representative in this state without first obtaining a
23	license as provided in this subchapter; or
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25	SECTION 14. Arkansas Code § 23-112-1004(c)(1)(A), concerning license
26	requirements and application fees under the Recreational Vehicle Franchise
27	Act, is amended to read as follows:
28	(A) Holds a valid dealer license issued by the Arkansas
29	Motor Vehicle Commission for the make of recreational vehicles being bought,
30	sold, or exchanged; or
31	
32	SECTION 15. Arkansas Code § 23-112-1004(d)(3)(D)-(F), concerning
33	license requirements and application fees under the Recreational Vehicle
34	Franchise Act, are amended to read as follows:
35	(D) For each recreational vehicle salesperson, fifteen
36	dollars (\$15.00);

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                       (E) For each branch location, twenty-five dollars
 2
     ($25.00); and
 3
                       (F)(E) For each replacement certificate of license, ten
 4
     dollars ($10.00).
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 6
           SECTION 16. Arkansas Code § 23-112-1008 is repealed.
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          23-112-1008. Display of license Change of employer - Salesperson.
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          (a)(1) Except as provided in this section, a recreational vehicle
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    salesperson shall have his or her license upon his or her person or displayed
    at his or her place of employment when engaged in his or her business and
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    shall display the license upon request.
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                (2) The name and address of the applicant shall be stated on the
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    license.
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          (b) In case of a change of employer, the following procedure shall be
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    followed:
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                (1) Within three (3) days following the change of employer, the
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    licensee shall notify in writing the Arkansas Motor Vehicle Commission for
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    its endorsement;
                (2) Within three (3) days following the termination of
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    employment of the licensee, the last employer of the licensee shall make a
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    report to the commission setting forth the reasons that the services of the
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    licensee were terminated and such other information as may be required by the
23
    commission:
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                (3)(A) Upon receipt by the commission of the licensee's written
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    notification and the last employer's report, the commission shall determine
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    if it has grounds to believe, and does believe, that the licensee is no
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    longer qualified under this subchapter as a recreational vehicle salesperson.
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                       (B) Under such circumstances, the commission shall
    immediately notify the licensee and the licensee's new employer in writing
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    that a hearing will be held for the purpose of determining whether his or her
    license should be revoked or suspended, specifying the grounds for revocation
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    or suspension, as the case may be, and the time and place for the hearing,
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                       (C) The hearing and any appeal by the licensee with
    respect to the hearing shall comply with § 23-112-501 et seq.; and
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                (4)(A) If after the commission receives the licensee's license
    and fee and his or her last employer's report the Executive Director of the
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1	Arkansas Motor Venicle Commission cannot for any reason endorse and mail to
2	the licensee his or her license within a period of three (3) days following
3	the receipt by the commission of the licensee's license and fee and his or
4	her last employer's report, then the executive director shall mail to the
5	licensee a permit in such form as the commission shall prescribe.
6	(B) The permit shall serve in lieu of a license until such
7	time as the:
8	(i) Commission endorses and mails the license to the
9	licensee; or
10	(ii) Licensee's license is revoked or suspended in
11	accordance with this subchapter.
12	(C) If the license is ultimately revoked or suspended,
13	then immediately upon the revocation or suspension the licensee shall return
14	the permit to the commission for cancellation.
15	(c)(1) The commission shall maintain a permanent file with respect to
16	each licensed recreational vehicle salesperson.
17	(2) Each file shall contain all pertinent information with
18	respect to the fitness and qualifications of each licensee for use by the
19	commission in determining whether his or her license should be revoked or
20	suspended.
21	(d)(1) There is no intent under this subchapter to prevent a
22	salesperson who has not previously been licensed as a salesperson from
23	selling during the time required to process his or her application.
24	(2) The applicant shall be allowed to sell from the date of
25	employment as long as the applicant and his or her dealer follow the
26	procedure for license application.
27	
28	SECTION 17. Arkansas Code § 23-112-1009(2), concerning the expiration
29	of a license under the Recreational Vehicle Franchise Act, is amended to read
30	as follows:
31	(2) Recreational vehicle dealers and salespersons expire
32	December 31 following the date of issue.
33	
34	SECTION 18. Arkansas Code § 23-112-1019(a)(1)(A), concerning the
35	denial, revocation, and suspension of a license under the Recreational

Vehicle Franchise Act, is amended to read as follows:

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I	(1)(A) Selling or soliciting sales of a recreational vehicle
2	without:
3	(i) a A dealer license issued by the commission; or
4	(ii) Being a bona fide employee or agent of a
5	licensed dealer.
6	
7	SECTION 19. Arkansas Code § 23-112-1019(a)(15), concerning the denial,
8	revocation, and suspension of a license under the Recreational Vehicle
9	Franchise Act, is amended to read as follows:
10	(15) For a person representing that he or she is a dealer $\frac{\partial \mathbf{r}}{\partial t}$
11	salesperson, either verbally or in an advertisement, when the person is not
12	licensed as a dealer or salesperson ;
13	
14	SECTION 20. Arkansas Code § 25-30-102(a), concerning powers and duties
15	of the Office of Skills Development and the Career Education and Workforce
16	Development Board, is amended to add an additional subdivision to read as
17	follows:
18	(12) Review and approve Automotive Technologist Education Grant
19	applications.
20	
21	SECTION 21. Arkansas Code Title 25, Chapter 30, Subchapter 1, is
22	amended to add an additional section to read as follows:
23	25-30-110. Automotive Technologist Education Grant Program.
24	(a) There is established the Automotive Technologist Education Grant
25	Program within the Division of Career and Technical Education.
26	(b)(1) The division shall use the Automotive Technologist Education
27	Grant Program to provide discretionary grants to career education programs
28	with a focus on training in the automotive technology field.
29	(2) A discretionary grant provided under subdivision (b)(1) of
30	this section shall be known as an "Automotive Technologist Education Grant".
31	(c) An educational program is eligible for an Automotive Technologist
32	Education Grant if:
33	(1) The educational program is a technical program approved by
34	the Department of Education that provides training in the field of automotive
35	repair and technology;
36	(2) The educational program submits an application for an

1	Automotive Technologist Education Grant to the division;
2	(3) The use and purpose of the Automotive Technologist Education
3	Grant is detailed in the application; and
4	(4) The amount of funding needed is provided in the application.
5	(d) The division shall create the application form for an Automotive
6	Technologist Education Grant.
7	(e) The division shall submit all applications for an Automotive
8	Technologist Education Grant to the Career Education and Workforce
9	Development Board for review and approval.
10	(f) The amount of an Automotive Technologist Education Grant may vary
11	between applicants.
12	(g) Before an Automotive Technologist Education Grant is issued to an
13	applicant, the Automotive Technologist Education Grant shall be reviewed and
14	approved by the Legislative Council between legislative sessions or by the
15	Joint Budget Committee during legislative sessions.
16	(h) The division shall disburse an Automotive Technologist Education
17	Grant directly to the approved applicant within thirty (30) days of approval
18	under subsection (g) of this section.
19	(i) The division shall award Automotive Technologist Education Grants
20	under this subchapter in the order in which the division receives
21	applications from eligible educational programs.
22	(j) An educational program that receives an Automotive Technologist
23	Education Grant shall provide the division an accounting report of how an
24	Automotive Technologist Education Grant is spent within one (1) year of
25	receipt of the Automotive Technologist Education Grant.
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