



ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

AADA LEGISLATIVE UPDATE #2 FEBRUARY 19, 2021



The 93rd General Assembly was forced to cancel all meetings this week as a result of the weather. Heading into next week things will start to pick up steam as today marks the 39th day of the legislative session.

We continue to work under the original guidelines for COVID protocols as were laid out in the joint statement from the Arkansas Secretary of State, Senate, and House of Representatives on the rules and procedures for this session. This statement is available by clicking [here](#).

Of particular interest for many dealers that will likely come up for vote next week is [HB1361](#). This bill provides that PPP loans are exempt from Arkansas Income Tax in line with the federal law. AADA supports this bill.

Also for likely consideration next week is [HB1355](#) by Rep. Dotson that removes the licensing requirements for motor vehicle salespeople and creates the automotive technologist education grant program and fund. The Motor Vehicle Commission is taking a neutral position on this bill, though there is some concern with insuring that funds remain available for the Commission's Education and Training Grant Program.

Finally, we are closely tracking the bills related to sales tax exemptions on used vehicles. Of particular interest, [HB1431](#) by Rep. Lundstrom increases the exemption for

a used motor vehicle from \$4,000 to \$10,000. It should be noted this bill has 71 House co-sponsors and 17 Senate co-sponsors. [HB1453](#) by Rep. Underwood eliminates sales tax for used motor vehicles.

BILLS OF INTEREST FOR AADA

[HB 1028](#) Rep. Cavanaugh: TO AMEND THE LAW TO EXTEND THE TIME PERIOD AUTHORIZED FOR THE REGISTRATION OF A MOTOR VEHICLE; AND TO AMEND THE LAW CONCERNING TEMPORARY PREPRINTED PAPER BUYER'S TAGS.

[HB 1060](#) Rep. Mayberry: CONCERNING THE TAX TREATMENT OF FORGIVABLE SMALL BUSINESS LOANS AND EXPENSES RELATED TO THE CORONAVIRUS 2019 (COVID-19) CRISIS; AND TO DECLARE AN EMERGENCY.

[HB 1160](#) Rep. Payton: TO INCREASE THE SALES AND USE TAX EXEMPTION FOR A USED MOTOR VEHICLE; AND TO ELIMINATE THE SALES AND USE TAX EXEMPTION FOR CERTAIN MOTOR VEHICLES, TRAILERS, AND SEMITRAILERS.

[HB1230](#) Rep. Richmond and Sen. B. Johnson: TO AMEND THE LAW CONCERNING THE ARKANSAS NEW MOTOR VEHICLE QUALITY ASSURANCE ACT; AND TO AMEND THE DEFINITION OF "MOTOR VEHICLE". (Now Act 92: This Act increases the GVWR from 13000 lbs. to 14000 lbs. for motor vehicles covered by the lemon law).

[HB1355](#) Rep. Dotson: TO REMOVE LICENSING REQUIREMENTS FOR A MOTOR VEHICLE SALESPERSON AND A RECREATIONAL VEHICLE SALESPERSON; AND TO CREATE THE AUTOMOTIVE TECHNOLOGIST EDUCATION GRANT PROGRAM AND FUND.

[HB1361](#) Rep. Eaves and Sen. Dismang: TO PROVIDE FOR THE TAX TREATMENT OF CERTAIN LOANS, PAYMENTS, AND EXPENSES RELATED TO CORONAVIRUS 2019 (COVID-19) RELIEF PROGRAMS; AND TO DECLARE AN EMERGENCY. ([AADA Supports](#))

[HB1377](#) Rep. Cavanaugh: TO AMEND THE LAW CONCERNING THE TAX LEVIED ON THE SALE OF A USED MOTOR VEHICLE, TRAILER, OR SEMITRAILER BY A CONSUMER. (This is a companion bill to HB 1028)

[HB1431](#) Rep. Lundstrom: TO INCREASE THE SALES AND USE TAX EXEMPTION THRESHOLD FOR THE PURCHASE OF A USED MOTOR VEHICLE. (This bill is

supported by the Governor and increases the exemption for a used motor vehicle from \$4,000 to \$10,000.)

[HB1453](#) Rep. Underwood: TO PROVIDE A SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES; AND TO AMEND THE DIRECT PAYMENT OF TAX BY A CONSUMER-USER FOR CERTAIN MOTOR VEHICLES. (This bill eliminates sales tax collection for used motor vehicles. AADA opposes this bill)

[SB 16](#) Sen. D. Sullivan: TO AMEND CERTAIN PROVISIONS OF INITIATED ACT 4 OF 1948; AND TO DECLARE AN EMERGENCY. (Amends the Workers Compensation Law under COVID-19)

[SB 17](#) Sen. D. Sullivan: CONCERNING BUSINESS LIABILITY FOR A PERSON EXPOSED TO CORONAVIRUS 2019 (COVID-19); AND TO DECLARE AN EMERGENCY.

[SB 117](#) Sen. M. Johnson: TO AMEND THE LAW CONCERNING THE REQUIREMENT THAT AN ADDITIONAL REGISTRATION FEE BE PAID FOR ELECTRIC AND HYBRID VEHICLES; AND TO REPEAL THE ADDITIONAL FEE FOR THE REGISTRATION OF HYBRID VEHICLES.

[SB225](#) Sen. B. Johnson: TO AMEND THE LAW CONCERNING THE ADDITIONAL FEE REQUIRED FOR THE REGISTRATION OF A HYBRID VEHICLE. (Lowers the registration for hybrid vehicles from \$100 to \$50.)

[SB246](#) Sen. B. Johnson: AN ACT TO AMEND THE LAW CONCERNING ELECTRIC VEHICLES AND HYBRID VEHICLES; AND TO CREATE AN EXCEPTION TO THE REQUIREMENT THAT AN ADDITIONAL FEE BE PAID FOR ELECTRIC VEHICLES AND HYBRID VEHICLES. (This bill exempts certain special plated vehicles from paying registration fees.)

[SB254](#) Sen. Hammer: TO ENSURE THAT BUSINESSES ARE NOT PENALIZED BY THE DEPARTMENT OF HEALTH FOR THE BEHAVIOR OF THEIR PATRONS OR CUSTOMERS DURING THE CORONAVIRUS 2019 (COVID-19) PUBLIC HEALTH EMERGENCY; AND TO DECLARE AN EMERGENCY.

[HR 1002](#) Rep. Fite: TO URGE THE ACTIVATION OF CLOSED CAPTIONING ON TELEVISION MONITORS IN PUBLIC VENUES.

Let me know if you are aware of a bill that needs to be monitored that was inadvertently left off this list.

THE UPCOMING WEEK

The House and Senate are in recess until Monday, February 22.

Monday, February 22, 2021 Committee Meetings

8:30 a.m. – Joint Retirement

9:30 a.m. – Senate Tax

2 p.m. – Senate Education and Health | House Agriculture/Economic Development, Aging/Children and City/County/Local

To view the full schedule of floor calendars, committee meetings, their agendas and video access, click [here](#).

Legislative Message Center

House of Representatives: 501-682-6211

Senate: 501-682-2902

Live Streaming from the Capitol

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House [here](#)
- Senate [here](#)

Thanks for everything each of you do, and if you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.