



ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

AADA LEGISLATIVE UPDATE #4

MARCH 12, 2021



Today marked the 61st day of the 93rd General Assembly.

We continue to closely monitor the bills related to sales tax exemptions on used vehicles, business liability issues due to COVID 19, autonomous vehicles, and sales people licensure, as well as a variety of bills as detailed below.

It should be noted that Gov. Hutchinson signed into law [HB1361](#), now Act 248, which provides for the Arkansas income tax laws to conform to the federal tax treatment of Paycheck Protection Program (PPP) loan forgiveness and other COVID-19 relief. Dealers are encouraged to confirm your accountants are aware of the passage of this Act.

AADA also finalized a draft version of a franchise bill and we are currently negotiating the language before filing the bill. We will keep you updated on the progress.

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. The Governor into law so now Act 248.)

[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)

[HB1487](#) Rep. Gonzales and Sen. Gilmore: CONCERNING BUSINESS LIABILITY FOR A PERSON EXPOSED TO CORONAVIRUS 2019 (COVID-19); AND TO DECLARE AN EMERGENCY. (AADA Supports)

[HB1488](#) Rep. Gonzales and Sen. Gilmore: TO AMEND CERTAIN PROVISIONS OF ARKANSAS CODE THAT RESULTED FROM INITIATED ACT 4 OF 1948; TO CLARIFY THE WORKERS' COMPENSATION LAW; AND TO DECLARE AN EMERGENCY. (AADA Supports)

[HB1562](#) Rep. McCollum and Sen. Eads: TO AMEND THE LAW CONCERNING AUTONOMOUS VEHICLES. (AADA worked with the sponsors and organized the to address a possible issue related to the "controlling authority" of the bill.)

[HB1632](#) Rep. Bryant: TO REPEAL THE SALES AND USE TAX EXEMPTION FOR THE SALE OF A MOTOR VEHICLE TO A PERSON ENGAGED IN THE BUSINESS OF RENTING MOTOR VEHICLES.

[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.

[SB351](#) Sen. Irvin: TO REGULATE PEER-TO-PEER CAR-SHARING PROGRAMS; AND TO CREATE THE PEER-TO-PEER CAR-SHARING PROGRAM INSURANCE COVERAGE ACT.

[SB459](#) Sen. T. Garner: TO EXEMPT THE PURCHASE OF A USED MOTOR VEHICLE FROM SALES AND USE TAX.

[SB461](#) Sen. T. Garner: TO ESTABLISH THE FARMERS RIGHT TO REPAIR ACT; AND TO REQUIRE AN ORIGINAL MANUFACTURER TO PROVIDE ESSENTIAL INFORMATION TO FARMERS TO REPAIR FARM EQUIPMENT.

[SB525](#) Sen. Sample: TO REVERSE CHANGES MADE UNDER ACT 819 OF 2019 AND RETURN THE ADMINISTRATION AND COLLECTION OF THE FRANCHISE TAX TO THE SECRETARY OF STATE; 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, March 15.

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.