



AADA NEWS AND UPDATE #5

JULY 28, 2021



FRANCHISE LAW EFFECTIVE TODAY

AADA had a huge victory during the recent legislative session with the passage of [Act 1077](#), a bill to amend the Arkansas Motor Vehicle Commission act.

[Act 1077](#), which is effective **today**, July 28, 2021, puts the control of critical business decisions back in the hands of Arkansas dealers. For example, the bill specifies that a dealer maintains and controls the operations and content related to its digital platform. This includes critical decisions such as the service providers and the dealership's inventory.

A dealership's digital platform is effectively its online showroom. Over the years, manufacturers have consolidated more and more control over this space. This power imbalance has led to unreasonable cost increases and has left local dealers with a diminished amount of control over the vehicle inventory, content, and sales tools which make up their online showroom.

Additionally, [Act 1077](#) allows local Arkansas dealers to purchase goods and services of substantially similar quality, design, and functionality including equipment, special tools, or digital platforms that do not contain or utilize a manufacturer's or distributor's intellectual property or proprietary design from

vendors the local dealer chooses. This right is critical as dealers continue to invest in new technologies.

Finally, [Act 1077](#) provides for a 45-day approval or disapproval by the manufacturer for a requested warranty rate change as well as clarifies the formula used for calculating the reimbursement rate.

[CLICK HERE FOR ACT 1077 NOTES](#)

If you have any questions on this new law please contact Greg Kirkpatrick by email at greg@arkautodealers.com or at 501-590-2840.



TIME DEALER OF THE YEAR NOMINEES REQUESTED

AADA is excited to announce that we are accepting nominations for the 2022 TIME Dealer of the Year. Additionally, as is AADA tradition, the TIME Dealer of the Year nominee is also the Arkansas Dealer of the Year. Nominate an Arkansas dealer today for this award by returning the official nomination form found [HERE](#).

The TIME Dealer of the Year award in Partnership with Ally is the most prestigious in the retail vehicle industry and honors new car dealers for their business success and community involvement. In the tradition of great nominees, Jack Caldwell with Caldwell Toyota was the 2021 Arkansas Dealer of the Year, and we look forward to this year's nominee joining this list.

The deadline to return the nomination form to AADA is August 11. Please nominate a deserving dealer today!

For additional information contact Greg Kirkpatrick at (501) 372-2596 or greg@arkautodealers.com.



COVID 19 UPDATE

CDC CHANGES MASK GUIDANCE

Yesterday the Centers for Disease Control and Prevention (CDC) reversed its recent guidance that fully vaccinated individuals no longer have to wear a mask by recommending that fully vaccinated individuals should "wear a mask in public indoor settings in areas of substantial transmission." As a result of the state's low vaccination rate, Arkansas is considered an area of substantial transmission. According to the CDC and the Arkansas Department of Health, unvaccinated individuals should always wear masks.

For additional information on this CDC recommendation, please ([CLICK HERE](#)).

It is important to note this CDC recommendation is not the law in Arkansas. As a result of recent legislation, the General Assembly must now convene a special session to implement mask mandates. According to Governor Hutchinson he will evaluate options related to masks in the coming days with legislative leaders.

AADA will keep you updated on any changes to mask policies based on guidance from the Arkansas Department of Health.

ADDITIONAL AND HELPFUL LINKS

For additional information related to maintaining your dealership as safe, we would recommend monitoring updates from the [CDC](#), [OSHA](#), and the [Arkansas Department of Health](#).

Please go to our website for links to information your dealership needs at [AADA coronavirus update](#).

As a reminder, NADA has produced a tremendous amount of resources to help dealers and their operations during the coronavirus pandemic. The site and the links will be updated continuously; bookmark the address, and click on the links as you need them for the latest versions of everything CARES Act, SBA, PPP, Tax Relief and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

AADA will work to keep you updated on this situation, but a firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.
