



# ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

## AADA LEGISLATIVE UPDATE MARCH 9, 2023



### LEGISLATIVE UPDATE AND DEALER ALERT!

Two bills have been filed this week that are critical to all Arkansas dealers.

#### DIRECT SALES BILL INTRODUCED

Today a bill was filed in the Arkansas Senate that is a direct attack on the state's franchise laws and dealer network. [SB 395](#) would allow EV manufacturers to sell directly to consumers rather than utilizing a dealer network.

AADA is vehemently opposed to this bill and we **NEED YOUR HELP** to make sure this bill is defeated. We expect this bill to run in Senate Transportation on Monday, upon adjournment of the Senate chamber. The Chairman of Senate Transportation, Senator Mark Johnson, is the sponsor of the bill so it will be a **very** difficult fight in the Committee. We are actively working the committee members, but will need every dealer contacting their Senator.

Talking points that clearly state why the dealer/manufacturer system is right for Arkansas can be found [HERE](#).

**Contact Your State Senator TODAY!**

Contact your State Senator at (501) 682-2902 and at [Arkansas Senate](#).

Also for information on the members of the Senate Transportation Committee [CLICK HERE](#).

## DEALER FRANCHISE BILL INTRODUCED

Also this week, [HB 1579](#), AADA's bill, was introduced in the Arkansas House. This bill amends the Motor Vehicle Commission Act and includes some critical legislative updates for Arkansas dealers.

We have worked at length with the manufacturers and believe we've been able to reach an agreement while maintaining the goals of the bill. HB 1579 is scheduled to run in the House Transportation Committee on Tuesday, March 14 at 9:30 a.m.

### ***What HB 1579 Does***

HB 1579 adds much needed protections for dealers related to allocation and over-the-air updates. Specifically, the bill does the following:

**Section 1:** Clarifies the battery referenced as a routine maintenance item is a non-propulsion battery.

**Section 2:** Clarifies the compensation to a dealer who provides assistance at the request of a customer with an over-the-air update or remote change.

**Section 3:** Defines that vehicle allocation to dealers be adequate and equitable, that performance standards take into consideration the number of vehicles allocated when measuring a dealer's performance, and the allocation system must be disclosed in writing upon request.

**Section 4:**

a) Makes clear that a manufacturer is required to provide a written disclosure of each accessory or function of the vehicle that may be updated or maintained by a manufacturer through over-the-air or remote means, as well as the charge to the buyer at the time for the initiation or maintenance of this feature.

b) Allows a dealer to purchase, rather than lease, items related to an approved facility upgrade.

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If you have any questions on either bill or any other legislation, please do not hesitate to call, 501-372-2596, or email Greg Kirkpatrick [greg@arkautodealers.com](mailto:greg@arkautodealers.com).