



# ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

## AADA LEGISLATIVE UPDATE APRIL 7, 2023



### LEGISLATIVE UPDATE

Today marked the 89th, and final day, of the 94th General Assembly. This session has been incredibly successful for AADA, and every dealer should be proud of the accomplishments this year.

### DEALER FRANCHISE BILL PASSES

AADA's franchise bill, [HB 1579](#), successfully passed out of the Senate on Wednesday and is headed to Governor Sanders for her signature. A special thanks goes out to Rep. Jeff Wardlaw and Sen. Ben Gilmore for carrying this bill for us. For a summary of the bill [click here](#).

One of the key components of HB 1579 further defines the allocation process. Specifically, this section clarifies the following: 1) vehicle allocation to dealers must be adequate and equitable; 2) performance standards must take into consideration the number of vehicles allocated when measuring a dealer's performance; 3) the allocation process must be applied equitably and not discriminate among dealers; and 4) the allocation system must be disclosed in writing upon request.

### BILLS OF INTEREST FOR AADA

Throughout the session, AADA tracked a number of bills of interest for dealers. A complete list is below with links to each of these bills as well as an update on the status:

[HB 1077](#): AN ACT FOR THE DEPARTMENT OF LABOR AND LICENSING - DIVISION OF LABOR APPROPRIATION FOR THE 2023-2024 FISCAL YEAR. **Action – Sent to Governor**

HB 1150, now [Act 41](#), by 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 1194](#) by Rep. Lee Johnson and Sen. John Payton: TO EXEMPT A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM SALES AND USE TAX; AND TO EXCLUDE A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM THE DEFINITION OF "SALES PRICE" USED FOR PURPOSES OF DETERMINING SALES AND USE TAXES. **Action – In Committee**

[HB 1234](#) by Rep. Fite: TO AMEND THE USED TIRE RECYCLING AND ACCOUNTABILITY ACT; TO COMMERCIALIZE THE USED TIRE RECYCLING AND ACCOUNTABILITY PROGRAM; TO CREATE THE ARKANSAS COMMERCE TIRE PROGRAM ACT; AND TO DECLARE AN EMERGENCY. **Action – In Committee**

HB 1244, now [Act 261](#), by Rep. Achor: TO AMEND THE LAW CONCERNING THE ISSUANCE OF AND APPLICATION FOR A DIGITIZED DRIVER'S LICENSE.

HB 1354, now [Act 211](#), by Rep. Holcomb: TO DISTRIBUTE REVENUES FROM THE ADDITIONAL REGISTRATION FEE FOR ELECTRIC VEHICLES, HYBRID VEHICLES, AND PLUG-IN HYBRID VEHICLES UNDER THE ARKANSAS HIGHWAY REVENUE DISTRIBUTION LAW.

HB 1365, now [Act 264](#), By Rep. Holcomb: TO AMEND THE LAW CONCERNING RECORDS MAINTAINED BY SCRAP METAL RECYCLERS; AND TO CREATE OFFENSES FOR THEFT OF A CATALYTIC CONVERTER AND UNAUTHORIZED POSSESSION OF A CATALYTIC CONVERTER.

[HB 1503](#) by Rep. Gazaway: TO CREATE THE OFFENSE OF OPERATING A CHOP SHOP; AND TO CREATE THE OFFENSE OF DEALING IN STOLEN OR FORGED MOTOR VEHICLE PARTS. **Action – Sent to Governor**

HB 1520, now [Act 422](#), by Rep. Ladyman: TO AMEND THE PETROLEUM STORAGE TANK TRUST FUND ACT; TO AMEND THE PAYMENT LIMIT PER OCCURRENCE FOR CORRECTIVE ACTION; AND TO DECLARE AN EMERGENCY.

[HB 1563](#) by Rep. Evans: TO AMEND THE LAW CONCERNING THE ATTACHMENT OF A POSSESSORY LIEN HELD BY A TOWING AND STORAGE FIRM; AND TO DECLARE AN EMERGENCY. **Action – In Committee**

[HB 1579](#) by Rep. Wardlaw: TO AMEND THE LAW CONCERNING THE ARKANSAS MOTOR VEHICLE COMMISSION ACT. **Action – Sent to Governor**

[HB 1671](#) by Rep. Pearce: TO AMEND THE LAW CONCERNING THE PENALTIES IMPOSED ON A USED MOTOR VEHICLE DEALER FOR A VIOLATION OF THE REQUIRED LICENSING LAWS. **Action – Sent to Governor**

[HB 1751](#) by Rep. M. Brown: CONCERNING DECEPTIVE TRADE PRACTICES; AND TO CREATE THE ARKANSAS AUTOMOTIVE SUBSCRIPTIONS CONSUMER PROTECTION ACT. **Action – Withdrawn by Sponsor**

[HB 1765](#) by Rep. Wing: TO AUTHORIZE THE ARKANSAS TOWING AND RECOVERY BOARD TO ESTABLISH RULES NECESSARY FOR THE TOWING, RECOVERY, AND STORAGE OF ELECTRIC VEHICLES. **Action – Sent to Governor**

[HB 1783](#) by Rep. Wardlaw: TO AMEND THE ARKANSAS FRANCHISE PRACTICES ACT. **Action – Sent to Governor**

SB 47, now [Act 50](#), by Sen. Boyd: TO REPEAL THE LAW THAT PROHIBITS LEAVING A RUNNING VEHICLE UNATTENDED.

[SB 133](#) by Sen. Payton: TO INCREASE THE SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES; AND TO REPEAL THE SPECIAL RATE OF TAX FOR CERTAIN USED MOTOR VEHICLES, TRAILERS, AND SEMITRAILERS. **Action – In Committee**

[SB 134](#) by Sen. Payton: TO INCREASE THE SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES; AND TO AMEND THE REDUCED SALES AND USE TAX RATE APPLICABLE TO PURCHASES OF USED MOTOR VEHICLES. **Action – In Committee**

[SB 237](#) by Sen. A. Clark: CONCERNING VEHICLES, BOATS, OR FARMING EQUIPMENT WITH A REMOVED, DAMAGED, MUTILATED, OR DEFACED SERIAL NUMBER OR VEHICLE IDENTIFICATION NUMBER. **Action – Sent to Governor**

[SB 395](#) by Sen. M. Johnson: TO AMEND THE LAW CONCERNING THE OWNERSHIP, OPERATION, OR CONTROL OF A MOTOR VEHICLE DEALER BY A MANUFACTURER. **Action – Withdrawn for Interim Study by Sponsor**

[SB 427](#) by Sen. Hill: TO PROVIDE AN EXEMPTION FOR SPECIAL EVENTS TO ALLOW CERTAIN NEW MOTOR VEHICLE DEALERS AND NEW MOTOR VEHICLE MANUFACTURERS OR DISTRIBUTORS TO DISPLAY AND SELL CERTAIN VEHICLES AT CERTAIN SPECIAL EVENTS. **Action – Sent to Governor**

[SB 485](#) by Sen. Payton: TO AMEND ACTS 2023, NO. 264; AND TO AMEND THE LAW CONCERNING THE OFFENSES OF THEFT OF A CATALYTIC CONVERTER AND UNAUTHORIZED POSSESSION OF A CATALYTIC CONVERTER. **Action – Sent to Governor**

[SB 508](#) by Sen. Payton: TO AMEND THE USED TIRE RECYCLING AND ACCOUNTABILITY ACT; TO AMEND THE USED TIRE PROGRAMS; AND TO DECLARE AN EMERGENCY. **Action – Sent to Governor**

## WHAT HAPPENS NEXT

The House and Senate are in recess until May 1, 2023, when they return for *sine die* which officially ends the 94th General Assembly.

As we mentioned last week, **one of the most important next steps for AADA will be an immediate capital campaign for AADAPAC**. We have not done this in years, and after this session it's more critical than ever that we have the funds on hand to target all key members of the General Assembly in the next election cycle.

As mentioned last week, we were able to successfully prevent [SB 395](#) from moving forward. This bill was an effort to allow EV and zero-emission manufacturers to sell directly to consumers rather than through a dealer. This challenge will continue in future sessions, and a robust PAC will be an invaluable tool moving forward.

More to come on this soon, but expect a call or letter from me asking for donations!

---

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](mailto:greg@arkautodealers.com).