

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1579

By: Representatives Wardlaw, M. Berry

By: Senator Gilmore

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE ARKANSAS MOTOR
VEHICLE COMMISSION ACT; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE ARKANSAS
MOTOR VEHICLE COMMISSION ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-112-313(f), concerning motor vehicle warranty agreements between the parties in a franchise, is amended to read as follows:

(f) As used in this section, "routine maintenance" means motor vehicle upkeep not covered under the manufacturer's warranty, including without limitation tire rotations and the replacement of:

- (1) Tires;
- (2) Fluids;
- (3) Filters;
- (4) Batteries, other than electric vehicle or hybrid vehicle propulsion batteries;
- (5) Belts;
- (6) Windshield wipers; and
- (7) Brake pads.

SECTION 2. Arkansas Code § 23-112-313, concerning motor vehicle warranty agreements between the parties in a franchise, is amended to add an



additional subdivision to read as follows:

(g) A manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division shall compensate a motor vehicle dealer that provides assistance requested by a customer whose motor vehicle was subjected to an over-the-air or remote change, repair, or update to any part, system, accessory, or function by the motor vehicle manufacturer or distributor and performed at the motor vehicle dealer's location or other manufacturer-authorized repair location of the motor vehicle dealer.

SECTION 3. Arkansas Code § 23-112-403(a)(2)(A), concerning unlawful practices under the Arkansas Motor Vehicle Commission Act, is amended to read as follows:

(A)(i) To fail or refuse to:

(a) ~~To refuse to deliver~~ Deliver, in reasonable quantities and within a reasonable time after receipt of a dealer's order to any licensed motor vehicle dealer having a franchise or contractual arrangement for the retail sale of new motor vehicles sold or distributed by the manufacturer, distributor, distributor branch or division, or factory branch or division, any motor vehicles that are covered by the franchise or contract specifically publicly advertised by the manufacturer, distributor, distributor branch or division, or factory branch or division to be available for immediate delivery;

(b) Make available to each motor vehicle dealer an adequate supply of motor vehicles by series, product line, and model in a fair, reasonable, and equitable manner subject to subdivision (a)(2)(L) of this section;

(c) Apply fair, reasonable, and equitable performance standards that take into consideration the number of motor vehicles allocated to a motor vehicle dealer when measuring the motor vehicle dealer's sales or service performance under the terms of the franchise agreement;

(d) Apply its allocation process equitably and not discriminate among motor vehicle dealers; and

(e) Disclose in writing upon request by a motor vehicle dealer the allocation process or system used by the

manufacturer, distributor, distributor branch or division, or factory branch or division.

(ii) However, the failure to deliver any motor vehicle shall not be considered a violation of this chapter if the failure is due to forces of nature, work stoppages or delays due to strikes or labor difficulties, freight, embargoes, or other causes over which the manufacturer or distributor, or any agent thereof, has no control;

SECTION 4. Arkansas Code § 23-112-403(a)(2)(U), concerning unlawful practices under the Arkansas Motor Vehicle Commission Act, is amended to add additional subdivisions to read as follows:

(viii)(a) When providing a new motor vehicle to a motor vehicle dealer for offer or sale to the public, fail to provide to the motor vehicle dealer a written disclosure that may be provided to a potential buyer of a new motor vehicle of each accessory or function of the new motor vehicle that may be initiated, updated, changed, or maintained by the manufacturer or distributor through over-the-air or remote means, and the charge to the new motor vehicle buyer at the time of the new motor vehicle sale for the initiation, update, change, or maintenance.

(b) A manufacturer or distributor may comply with this subdivision (a)(2)(U)(viii) by notifying the motor vehicle dealer that the information contained in the written disclosure under subdivision (a)(2)(U)(viii)(a) of this section is available on a website or through other digital means; or

(ix) Fail to provide a motor vehicle dealer the option to purchase, rather than lease, items related to a factory required and approved facility improvement other than signage that bears a trademark, trade name, or commercial symbol used or claimed by the manufacturer, distributor, distributor branch or division, or factory branch or division.

APPROVED: 4/10/23