

# ARKANSAS MOTOR VEHICLE COMMISSION

## Enabling Laws

Act 24 of 2010  
Act 388 of 1975 as amended  
A.C.A. § 23-112-101 et seq.

## History and Organization

The Arkansas Motor Vehicle Commission, funded by special revenue, was created under Act 388 of 1975 by the Seventieth General Assembly of the Arkansas Legislature in Regular Session. Rule I, Rule II and Regulation I were adopted and made part of the act on July 1, 1976 in accordance with the Administrative Procedures Act. In enacting Act 388 of 1975, the Legislature felt a need to exercise the state's police power to ensure a sound system of distributing and selling new motor vehicles through licensing and regulating the manufacturers, distributors, their branch offices and representatives and franchised dealers and salesmen operating within the State of Arkansas. In adopting Rule I and II, the Commission's general organization and hearing procedures were outlined. Regulation I, now Rule 3, is the Commission's attempt to define false and misleading advertising, classified as unauthorized acts under Subsection A, Section 5 in Act 300 of 1975. Act 838 of 1977 was enacted by the Seventy-First General Assembly in Regular Session. Act 838 of 1977 was approved by the Legislature in order to allow the Commission to seek injunctions to prevent violations of the Arkansas Motor Vehicle Commission Act or any Rule or Regulation subsequently adopted.

The objectives of the Arkansas Motor Vehicle Commission, under current statutory authorization, are to administer the requirements connected with the distribution of motor vehicles within the State of Arkansas in a fair and impartial manner, while being consistent in its interpretation of the persons required to be licensed. Act 388 of 1975 affords protection for the franchised dealer relative to attempts by manufacturers and distributors to coerce, intimidate, terminate or threaten to terminate without due cause contractual agreements in existence between the two parties.

Consumer complaints on vehicles covered by the original factory warranty are received and processed in accordance with the statutory authority given the Commission under Act 388 (6)(A)(10) of 1975, Section 6A (10), which provides grounds for suspension or revocation of licenses when warranty responsibilities are not fulfilled by manufacturers and distributors to the detriment of the public welfare.

Acts 620, 645, and 633 of 1987 reduced the number of wheels under the Motor Vehicle Commission Law definition motor vehicles from four (4) to two (2) which required dealers selling new Motorcycles and ATVs to be licensed and regulated by the Commission. Act 1058 of 1985

required the Motor Vehicle Commission to license and regulate all used car dealers and salesmen in the State. Act 169 of 1989 removed the used car dealers and salesmen from the Commission's legal jurisdiction. Act 568 of 1995 removed Wholesalers and Auto Auctions from the Commission's published Act and allowed the Commission's first fee increase since inception.

Act 1154 of 1997 permitted reciprocity with Motor Vehicle Commissions of other states with regard to Motor Vehicle Shows, provided procedures concerning warranty agreements and clarified various definitions.

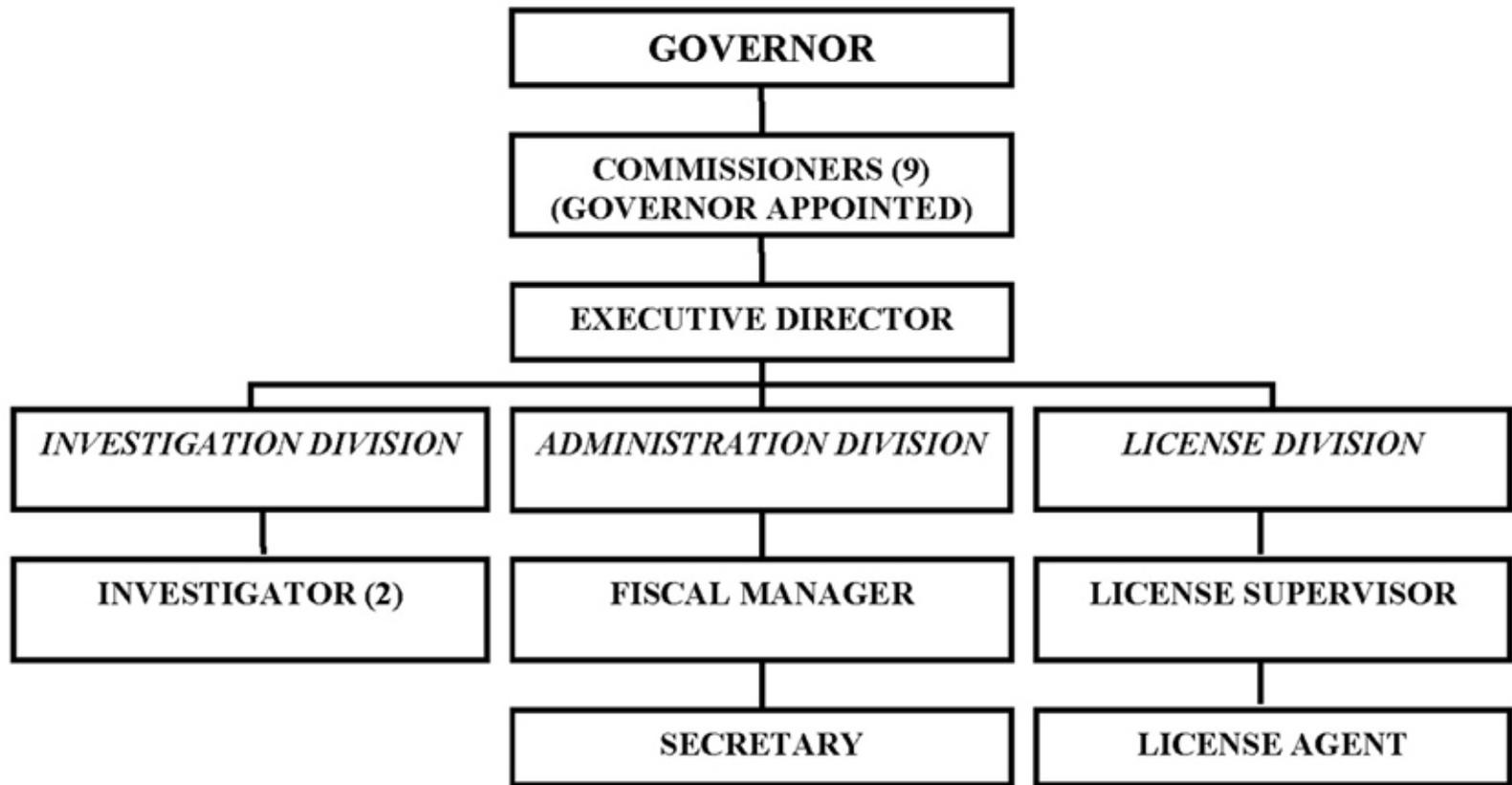
Act 1042 of 1999 primarily amended Subchapter 4, pertaining to unlawful practices by Manufacturers/Distributors.

Act 1053 of 2001 added the definition of ATVs and clarified various definitions. Act 1600 of 2001 provided for motor vehicle dealer Documentary Fees and authorized the Commission to promulgate rules and regulations to implement, enforce and administer the enabling section.

Act 1722 of 2003 authorized the Commission to promulgate rules and regulations to set a reasonable limit on the amount to be charged for a Documentary Fee. Act 1098 of 2003 amended the definition of an ATV, and added motor scooters to the definition of a motor vehicle. Act 1027 of the Second Extraordinary Session of 2003 added Section 106 to Subchapter 1 of the Arkansas Motor Vehicle Commission Act, enabling enforcement by the Commission under certain conditions.

Act 1687 of 2005 established procedures for the delivery prior to sale of a motor vehicle to a consumer.

Act 235 of 2007 provides an exemption for special motorcycle events to allow dealers to display and sell motorcycles at special events that have significant positive economic impact on an area. Act 366 of 2007 amends the Motor Vehicle Consumer Protection Act regarding fees charged for handling and processing the sale or lease of a vehicle. The maximum fee charged can be no more than \$129. Act 746 of 2007 amends the Motor Vehicle Commission Act § 23-112-101 et seq.



### Agency Commentary

Funding for this Special Revenue appropriation is derived solely from license fees collected from new motor vehicle manufacturers, distributors, factories and branches, as well as representatives, dealers, sales personnel and motor vehicle lessors. The Commission receives no General Revenue funds.

The Commission is requesting Base Level for the 2011-2013 biennium, as well as Capital Outlay in the amount of \$18,000 to replace a vehicle when necessary in FY13.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS MOTOR VEHICLE COMMISSION

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	2	3	5	83 %
Black Employees	1	0	1	17 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	17 %
Total Employees			6	100 %

## Publications

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010					FY2010 - 2011						
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
7	7	0	7	0	0.00 %	7	7	0	7	0	0.00 %	7	6	1	7	0	14.29 %

## **Analysis of Budget Request**

**Appropriation:** 048 - Arkansas Motor Vehicle Commission

**Funding Sources:** SAB - Arkansas Motor Vehicle Commission Fund

The Motor Vehicle Commission uses the resources authorized in this appropriation to regulate and license new car manufacturers, dealers, and salesmen doing business in Arkansas. Funding for this special revenue appropriation is derived from license fees paid by automobile salesmen, dealers, manufacturers, and manufacturers' representatives pursuant to A.C.A. §23-112-101 et seq.

Base Level is \$574,487 in each year of the 2011-2013 biennium.

The Commission is requesting a Change Level increase in Capital Outlay of \$18,000 to replace a vehicle when necessary in FY13.

The Executive Recommendation provides for the Agency Request of Base Level plus Capital Outlay to replace an aging, high mileage vehicle in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

## Appropriation Summary

**Appropriation:** 048 - Arkansas Motor Vehicle Commission

**Funding Sources:** SAB - Arkansas Motor Vehicle Commission Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	287,945	291,627	295,874	290,427	290,427	290,427	290,427	290,427	290,427
<b>#Positions</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching	5010003	86,843	90,434	93,594	90,363	90,363	90,363	90,363	90,363	90,363
Operating Expenses	5020002	134,734	181,197	181,197	181,197	181,197	181,197	181,197	181,197	181,197
Conference & Travel Expenses	5050009	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	5,507	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	17,403	17,000	17,000	0	0	0	0	18,000	18,000
<b>Total</b>		<b>532,432</b>	<b>592,758</b>	<b>600,165</b>	<b>574,487</b>	<b>574,487</b>	<b>574,487</b>	<b>574,487</b>	<b>592,487</b>	<b>592,487</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,675,205	2,520,668		2,289,910	2,289,910	2,289,910	2,077,423	2,077,423	2,077,423
Special Revenue	4000030	480,292	512,000		512,000	512,000	512,000	494,000	512,000	512,000
Transfer to Workforce Ed	4000682	(102,397)	(150,000)		(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
<b>Total Funding</b>		<b>3,053,100</b>	<b>2,882,668</b>		<b>2,651,910</b>	<b>2,651,910</b>	<b>2,651,910</b>	<b>2,421,423</b>	<b>2,439,423</b>	<b>2,439,423</b>
Excess Appropriation/(Funding)		(2,520,668)	(2,289,910)		(2,077,423)	(2,077,423)	(2,077,423)	(1,846,936)	(1,846,936)	(1,846,936)
<b>Grand Total</b>		<b>532,432</b>	<b>592,758</b>		<b>574,487</b>	<b>574,487</b>	<b>574,487</b>	<b>574,487</b>	<b>592,487</b>	<b>592,487</b>

## Change Level by Appropriation

**Appropriation:** 048 - Arkansas Motor Vehicle Commission  
**Funding Sources:** SAB - Arkansas Motor Vehicle Commission Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>574,487</b>	<b>7</b>	<b>574,487</b>	<b>100.0</b>	<b>574,487</b>	<b>7</b>	<b>574,487</b>	<b>100.0</b>
C01	Existing Program	0	0	574,487	100.0	18,000	0	592,487	103.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>574,487</b>	<b>7</b>	<b>574,487</b>	<b>100.0</b>	<b>574,487</b>	<b>7</b>	<b>574,487</b>	<b>100.0</b>
C01	Existing Program	0	0	574,487	100.0	18,000	0	592,487	103.1

### Justification

C01	Capital Outlay of \$18,000 is requested in FY13 to replace a vehicle when necessary.
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