

ARKANSAS MOTOR VEHICLE COMMISSION

Enabling Laws

Act 137 of 2014
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.

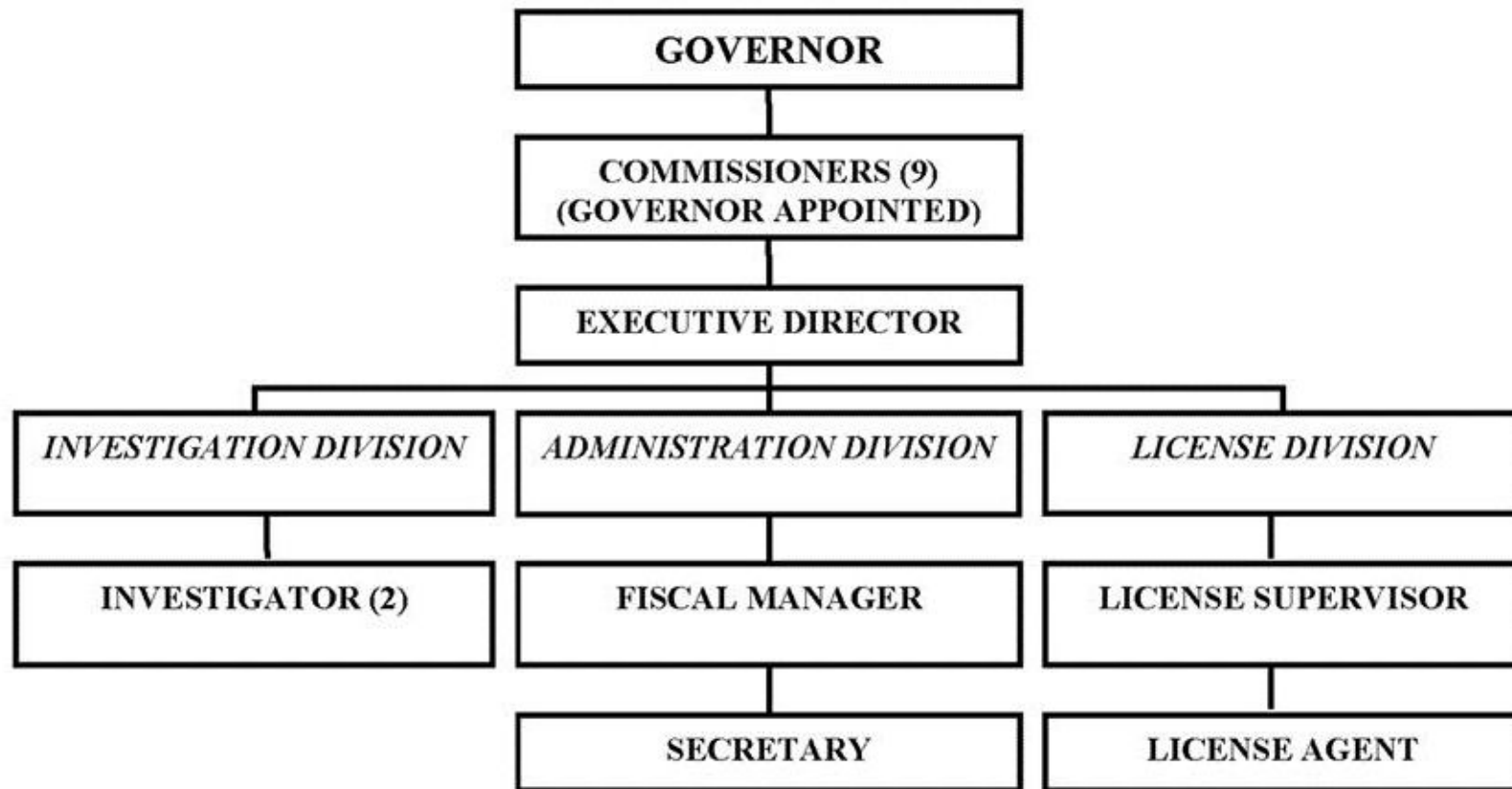
Act 1042 of 1999 primarily amended Subchapter 4, pertaining to unlawful practices by Manufacturers/Distributors.

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 the Consumer Protection special language be removed because the Commission has established a number of strong working partnerships with consumer protection entities such as the Better Business Bureau and the Attorney General's office to assist consumers with a variety of complaints and concerns regarding vehicle purchases. These efforts include providing a non-formal mediation

service for consumers to negotiate with dealers to resolve concerns as well as informing consumers of their rights when purchasing a vehicle. To best serve this effort, the Commission assigns two (2) staff members with the responsibility to work directly with consumers before and after issues arise. In addition, the Commission is working with the motor vehicle industry and other state agencies to develop a consumer and dealer guide for the title and registration process. The Commission has found these efforts are effective, and do not require an expenditure of agency dollars.

The Commission is requesting Base Level funding for the 2015-2017 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS MOTOR VEHICLE COMMISSION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

None

Recommendations

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	3	4	80 %
Black Employees	1	0	1	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	20 %
Total Employees			5	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
7	6	1	7	0	14.29 %	7	5	2	7	0	28.57 %	7	5	2	7	0	28.57 %

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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency is requesting Base Level of \$728,580 for each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	222,770	284,324	306,946	286,426	286,426	286,426	286,426	286,426	286,426
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	88,335	97,061	100,848	98,457	98,457	98,457	98,457	98,457	98,457
Operating Expenses	5020002	112,391	181,197	181,197	181,197	181,197	181,197	181,197	181,197	181,197
Conference & Travel Expenses	5050009	2,679	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	3,854	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
Grants and Aid	5100004	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capital Outlay	5120011	35,754	0	0	0	0	0	0	0	0
Total		465,783	725,082	751,491	728,580	728,580	728,580	728,580	728,580	728,580
Funding Sources										
Fund Balance	4000005	2,268,885	2,309,143		2,097,461	2,097,461	2,097,461	1,882,281	1,882,281	1,882,281
Special Revenue	4000030	506,041	513,400		513,400	513,400	513,400	513,400	513,400	513,400
Total Funding		2,774,926	2,822,543		2,610,861	2,610,861	2,610,861	2,395,681	2,395,681	2,395,681
Excess Appropriation/(Funding)		(2,309,143)	(2,097,461)		(1,882,281)	(1,882,281)	(1,882,281)	(1,667,101)	(1,667,101)	(1,667,101)
Grand Total		465,783	725,082		728,580	728,580	728,580	728,580	728,580	728,580