Form 2021B

RULE SUMMARY

Purpose of Rule: The purpose of the proposed amendments is to set standards for licensure for auto dealers and to articulate legislated requirements

Reason for Creating or Amending the Rule: Amending rules to comply with 2021 legislative changes

How does the Rule deviate from the Act: Rules do not deviate from the Act.

Rule Based on a Rule From Different Jurisdictions: ☐ Yes X No **Jurisdictions:** _____

_____

Short Summary of New Rule or Rule Changes: (explain in greater detail in your executive summary)

Rule 3 - the amendment protects consumers by adding an extra guarantee of an advertised vehicle at the dealership. The amendment ensures that dealers have the vehicles they advertise either physically on the lot or have the manufacturer's invoice guaranteeing delivery of the advertised vehicle to the dealer.
Rule 7 - Act 504 of 2021 removed licensing requirements for a motor vehicle salesperson. Rule 7 required out-of-state salespersons to pay a $15 dollar fee, this rule change removes the fee.
Rule 10 concerned the Education and Grant Training Program that the Board administered. Act 504 of 2021changed the program to the Automotive Technologist Education Grant Program and all requirements regarding the program are specifically spelled out in the statute, therefore Rule 10 is no longer necessary.

Applicable Federal Regulations: ☐ Yes XNo **C.F.R. No:** _____

Proposed Rule the Least Restrictive Alternative: X Yes ☐ No. **If not, why?** _____

_____

Does it Mirror Federal Regulations or Impose Additional Requirements: ☐ Yes X No

Explain: _____

_____

Note: In addition to these explanations, the Department/Agency seeking to promulgate this rule shall submit the attached executive summary. Failure to include the summary will result in the rule being denied.

CONTROVERSY

Rule Controversial: ☐ Yes XNo **Act Controversial in Legislative Session:** X Yes ☐No

Known Interested Parties: Arkansas Automotive Dealers Association

Comments Made at Legislative Session: Commission voiced concern during the legislative session regarding the fiscal impact of Act 504 of 2021 on the Commission.

Public Hearing: ☐ Yes X No **Expect public comment from:** Arkansas Automotive Dealers Association

FINANCIAL IMPACT

Financial Impact: X Yes ☐ No **Total Impact: FY2020:** _____ **FY2021:** $38,500

Impact Mitigated by Federal Funding: ☐ Yes X No **FY2020:** _____ **FY2021:** _____

Reasons for Financial Impact: The financial impact is based on the average number of motor vehicle salespersons fees that the Commission collects. As FY21 is already half over the estimated impact is only half of what the estimated impact will be.

FINAL CHECKLIST

Please note that the Governor's office will not begin the approval process of the foregoing rule if any of the following applicable documents are not enclosed in the order listed in a single PDF file.

- ☐ Rule Request Form
- ☐ Executive Summary
- ☐ Mark-Up Version of the Proposed Rule
- ☐ Clean Version of the Proposed Rule
- ☐ BLR Questionnaire
- ☐ BLR Financial Impact Statement
- ☐ Copy of Act or Regulation