

**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  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 2021 changed 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  No **C.F.R. No:** \_\_\_\_\_

**Proposed Rule the Least Restrictive Alternative:**  Yes  No **If not, why?** \_\_\_\_\_

**Does it Mirror Federal Regulations or Impose Additional Requirements:**  Yes  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  No **Act Controversial in Legislative Session:**  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  No **Expect public comment from:** Arkansas Automotive Dealers Association

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**FINANCIAL IMPACT**

**Financial Impact:**  Yes  No **Total Impact: FY2020:** \_\_\_\_\_ **FY2021:** \$38,500

**Impact Mitigated by Federal Funding:**  Yes  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