## Business Meeting 900 West Capitol Avenue, Suite 400 Little Rock, Arkansas 72201

### February 27, 2025

## **CALL TO ORDER**

The regularly scheduled meeting of the Arkansas Motor Vehicle Commission was called to order on February 27, 2025, at 9:30 a.m. by Commission Chair Joy Blankenship.

## ATTENDEES

The commissioners in attendance included Commission Chair Joy Blankenship, Michael Johnson, Jerel Saeler, Jimmy Jones, Michael Moix, and Clay Maxey. Commissioner Scott Wood was not in attendance and was excused due to family obligations. Staff present included Director Daniel Pace, Licensing Supervisor Alexus Dunlap, and Investigators Margie Sexton and John Aquilino. Other individuals in attendance included Senior Assistant Attorney General Julie Chavis and Greg Kirkpatrick of the Arkansas Automobile Dealers Association. This Commission meeting was broadcast on AR-CAN Arkansas PBS.

#### ANNOUNCEMENTS

Commission Chair Joy Blankenship announced the retirement of Senior Assistant Attorney General Julie Chavis, to take place February 28, 2025. Director Daniel Pace announced that all Commissioners and the Director have submitted the required Statement of Financial Interest to the Secretary of State for the previous calendar year.

### **PREVIOUS MEETING MINUTES**

The minutes from the Wednesday, January 15, 2025, regularly scheduled meeting were reviewed and unanimously approved by the Commission following a proper motion by Michael Johnson and a second by Michael Moix.

### **REPORTS AND INFORMATION**

Director Pace presented the Financial Revenue and Expenditure Reports for fiscal year 2025. Fiscal year 2025 reflected a revenue deposit total of \$411,289.10 to date. Following a proper motion by Michael Johnson and a second by Michael Moix, the Commission unanimously approved the Financial Revenue and Expenditure Reports for fiscal year 2025.

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Director Pace presented the Monthly License Activity Reports, License Renewal Reports, Dealer and Lessor License Renewal Summary, Manufacturer & Distributor License Renewal Summary, and Voluntary License Surrender Reports. Licensing Supervisor Alexus Dunlap noted updates to the Dealer and Lessor License Renewal Summary, stating that out of the entire list, only twenty (20) of the licenses are expired and seven (7) have requested to be provided with a Voluntary License Surrender Agreement. Director Pace noted the addition of four new licensed franchise dealers: Gregg Orr Preowned, Griffin Motorsports and Golf Cars LLC, River Valley Golf Carts (Bryant), and River Valley Golf Carts (Stuttgart). As of February 27, 2025, there is one licensed Distributor and five licensed Manufacturers that have not renewed for the 2024-2025 licensing period.

The Investigation Summary Reports compiled by Investigators Margie Sexton and John Aquilino included the time frame of January 2025 through February 2025. There have been investigations into title issues, unlicensed dealers, an unlicensed manufacturer, warranty disputes, and advertising complaints. In addition, 18 noted dealer visits have been conducted from January to February 2025. The investigators have completed 5 advertisement reviews for licensed Franchise Auto Dealers in the 2025 calendar year. The Commission has received 26 total complaints (Formal & Non-Formal) since the first of the year.

Investigator John Aquilino visited a business in Jonesboro, Arkansas, (JJ Sales and Deals) after a state police inspector provided information on possible regulated vehicle sales being conducted by the unlicensed business. During the visit, it was discovered that the business was selling Tao Motor ATVs, which had been purchased for resale from an unnamed dealer in Mississippi. The business owner contacted Investigator Aquillino following the visit to inform him that the incoming order of products had been canceled and the products displayed for sale at the business location had been removed per the Commission's request and offloaded to a separate Mississippi dealer.

Director Daniel Pace and Investigator John Aquilino provided the Commission with a final update on NF#24-037 AMVC vs. White River ATV. Commission staff confirmed that all new products have been moved from the former address to the new licensed business address per the Commission's request.

### **LEGAL BRIEFINGS**

Senior Assistant Attorney General Julie Chavis provided an update on C#24-027 Gentry Chevrolet vs. General Motors. Mr. Kenneth W. Gentry Jr. informed the Commission that Gentry Chevrolet has obtained legal representation to assist in further negotiations with General Motors. The Commission will allow both parties to continue negotiations between respective legal counsel, as they attempt to resolve the dispute.

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## ACTION AND DISCUSSION ITEMS

Director Pace presented eleven (11) Voluntary License Surrender Agreements from license holders no longer conducting business in the state of Arkansas (listed under Section 7A on the Agenda). The listed license holders requested that the license presented be terminated and they all acknowledged that if they wish to engage in business in the state of Arkansas after the license has been terminated, they must apply for a new license through the Arkansas Motor Vehicle Commission. After a proper motion to approve all eleven (11) Voluntary License Surrender Agreements listed under Section 7A on the Agenda by Michael Moix and a second by Jimmy Jones, the Commission unanimously approved the motion.

Commission Chair Joy Blankenship requested that Director Daniel Pace and Senior Assistant Attorney General Julie Chavis provide an update on Formal Complaint C#24-019, AMVC vs. Tractor Supply Company (TSC). Senior Assistant Attorney General Julie Chavis and Director Pace drafted a letter that was forwarded to TSC acknowledging the receipt of TSC's letter to the Commission. The letter also informed Tractor Supply Company that the Commission has not changed its interpretation of the law; if TSC wants to sell new LSVs, TSC must be licensed by the Commission, as are all other new LSV dealers, manufacturers, and distributors doing business in Arkansas. Following a proper motion to approve of the letter sent to Tractor Supply Company by Michael Johnson and a second by Michael Moix, the Commission unanimously approved the motion.

Director Pace provided an update to the Commission with respect to the Automotive Technologist Education Grant Program (ATEGP). At the regularly scheduled meeting on May 15, 2024, the Commission approved full funding for all 11 grant applicant requests, and the total amount awarded was \$234,050.43 for 2024. The Commission staff processed the funding requests, and the Grant Warrants were issued before the end of Fiscal Year 2024. The Commission staff has received the second of two required Accounting Reports from all eleven (11) grant recipients. Following a proper motion by Michael Moix to accept the second required Accounting Reports from all eleven (11) of the 2024 ATEGP recipients and a second by Michael Johnson, the Commission unanimously approved the motion.

Huntsville High School (ATEGP FY2024-009) has purchased each product requested in their approved grant application and after a change in the price of supplies has been left with \$1107.06 in remaining grant funds. They have submitted a request to the Commission to allocate the remaining funds to purchase a programming update for the alignment machine and new alignment shims. Following a proper motion by Michael Johnson and a second by Michael Moix, the Commission

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unanimously approved for Huntsville High School to allocate the remaining grant funds to purchase the programming update for the alignment machine and alignment shims.

Director Pace presented the previous 2024 Automotive Technologist Education Grant Program (ATEGP) application packet to assist the commission in revising and finalizing the 2025 ATEGP application packet. After discussion, Commissioner Michael Moix made a proper motion to utilize the 2024 ATEGP application packet as a base for the 2025 ATEGP application packet after adding Recreational Vehicles to the related programs list, changing the program proposal deadline to March 31, 2025, setting the deadline dates for the accounting reports to be due the second Sunday of September 2025 and the second Sunday of January 2026, as well as revising the language under the Application Review and Award Process section to remove the phrase "received via email or". The Motion was seconded by Jerel Saler and unanimously approved by the Commission.

Director Daniel Pace explained House Bill 1460 to the Commission. The bill intends to amend the law concerning appointments to certain Boards, Commissions, and Councils based on congressional district. Section 4 of the bill directly concerns the Arkansas Motor Vehicle Commission's (AMVC) Arkansas Code § 23-112-201 (b)(1) by amending language that states "One (1) commissioner shall be appointed from each of the four (4) congressional districts of the state as constituted July 1, 1975" to "One (1) commissioner shall be appointed from each of the time of appointed from each of the four (4) congressional districts of the state as they exist at the time of appointment."

Director Pace, Commissioner Michael Johnson, and Greg Kirkpatrick of the Arkansas Automobile Dealers Association presented and explained Senate Bill 94. Under the current language of the bill, a new all-terrain vehicle dealer or new low speed vehicle dealer is not required to have a dedicated service and parts area inside of the building or structure wherein the dealer's established business is conducted or perform repair and warranty service on a motor vehicle at the licensed location. The bill would also mandate that new all-terrain vehicle dealers and new low speed vehicle dealers provide a warranty or a manufacturer's warranty on all-terrain vehicles and low speed vehicles that they sell. They must also provide to the purchaser the name of a service provider within (40) miles of the dealership that will service the vehicle and coordinate with a warranty service provider within (40) miles of the dealership to service the warranty or manufacturer's warranty. Additionally, the dealership must submit information to the Commission annually on the service provider or warranty service provider they have identified or coordinated with, and the dealership must provide information on the service provider or warranty service provider to the purchaser of an all-terrain vehicle or low speed vehicle. It should be noted that the bill does allow for the all-terrain vehicle or low speed vehicle dealer to continue providing service on vehicles at the licensed location if they elect to do so. The bill also states that the Arkansas Motor Vehicle Commission shall promulgate rules to implement the new code section.

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Greg Kirkpatrick of the Arkansas Automobile Dealers Association provided the Commission with updates on Arkansas New Motor Vehicle Dealer quarterly sales data for 2024 in comparison to data from prior years. Mr. Kirkpatrick also provided the Commission with updates on proposed, planned, and potential legislative bills that will affect dealers, lessors, and consumers. The issues addressed in the assorted bills include factory direct vehicle sales or factory service centers, dealer insurance policies, dealer tags, vehicle property tax and lessor/lessee responsibility, vehicle sales tax, electronic vehicle registration, and remote vehicle repair services.

Director Daniel Pace presented an update to the Commission with respect to Enterprise Licensing and Permits (ELP), which is the Commission's licensing platform. After working with ELP representatives and IT Support Staff, a new permit application type has been added to ELP, Temporary Out of State Permit. This will allow out-of-state Manufacturers, Distributors, Representatives, and Dealers of regulated motor vehicles to electronically obtain a temporary license to do business in Arkansas for no more than seven (7) consecutive days in accordance with the AMVC Act and Rules.

#### ADJOURNMENT

Following a proper motion by Michael Johnson and second by Michael Moix, Chair Joy Blankenship thanked everyone for their attendance and adjourned the meeting at 11:19 A.M. on February 27, 2025, by unanimous approval of the Commission.

Minutes submitted by:

Alexus Dunlap and Daniel Pace

Minutes Approved by:

enshir

Commission Chair Joy Blankenship

14 Appeil 2025

14 Anno Date: