

# Arkansas Motor Vehicle Commission

## NEW MOTOR VEHICLE DEALER

### Procedure Policies

Complaint Filing Procedures	Page (2)
Initial New Motor Vehicle Dealership	Page (3)
Adding or Discontinuing a Franchise Line	Page (4)
Change of Ownership	Page (5)
Relocation of Dealership	Page (6)

## Arkansas Motor Vehicle Commission COMPLAINT FILING PROCEDURES

Reference AMVC ACT and Rules, Rule 2, 2.7 and 2.8.

### HOW TO FILE A COMPLAINT:

1. The Complaint Form must be legibly written or typed. It must be dated and show the return address, and must bear the original signature of the complainant and including a notarized signature.
2. All assertions and allegations must be clearly written. Each, explanation shall be fully detailed, beginning with the initial transaction up to the present date. The complaint shall set forth the specific grounds upon which the complaint is based. (Referencing the AMVC ACT and Rule 2).
3. Please copy all documentation, both front and back, when utilizing a cassette or VHS tape. All copies should be clean, clear and legible and in chronological sequence. Originals are not accepted and will be returned un-filed.
4. There are two types of complaints, Advertising and Consumer. Forms may be obtained from the web site [amvc.arkansas.gov](http://amvc.arkansas.gov).

### UPON RECEIPT IN COMMISSION OFFICE:

1. The complaint is registered and assigned a complaint number.
2. A review of all allegations is performed, utilizing the documentation provided, followed by a review of statutory authority.
3. If a violation has occurred, a copy of the complaint is forwarded to the (Respondent) for review and response. The Respondent has ten (10) days to respond to the AMVC.
4. The Respondent's statement is received and reviewed with original complaint.
5. The statutory authority is again reviewed.
6. The respondent's statement is forwarded to the Complainant with ten (10) days for his/her response.
7. A determination is rendered. If a violation has occurred, the findings are reviewed by the Ad Hoc Committee, who makes a finding and recommendation to the Commission. If a Civil Penalty is warranted, a Notice of Violation is prepared by AMVC Counsel and sent to the Respondent by certified mail. Either party then may have ten (10) days to file a written appeal requesting a formal hearing before the full Commission.

# Arkansas Motor Vehicle Commission

## LICENSE PROCEDURES

### INITIAL NEW MOTOR VEHICLE DEALERSHIP

Reference A.C.A. §23-112-301 through §23-112-307

PLEASE SUBMIT THE FOLLOWING TO THE AMVC ON COMPLETION OF ALL FORMS.

1. A letter of notification from the Manufacturer/Distributor of their intent to establish a dealer point and each franchise to be held which names the Owner(s), business name, address and telephone number.
2. An Initial Dealer Packet, including appropriate applications, may be obtained at [amvc.arkansas.gov](http://amvc.arkansas.gov), or upon request will be mailed to the prospective New Motor Vehicle Dealer.
3. The Initial Dealer Principal or purchaser should submit completed Dealer application and all required documents and fees as soon as possible. The document requirements are listed on the second page of the Initial Dealer Application. You will also need to submit Salesperson, Sales Manager, General Manager, and Financier's application(s) with appropriate fees.
4. The Dealer Principal should contact their Insurance or Surety Agent to obtain a New Motor Vehicle Dealer Surety Bond in the amount of \$50,000 for an Auto, Truck or RV Dealership or \$25,000 for a Motorcycle, ATV, Lessor or Scooter Dealership. The Bond Form provided in the initial dealer packet is the only Bond Form accepted by the Commission.
5. Please submit a copy of the Manufacturer/Distributor Franchise Agreement or Dealer Sales and Service Agreement signed by both parties and a Relevant Market Area Statement. A Letter of Intent from the Manufacturer may be submitted with both contracting parties' original signatures in lieu of a Franchise Agreement for 30 days.

**NOTE:**

- ◆ Initial Dealer or purchaser is requested to submit paperwork to this office as completed for us to review and hold as pending until Manufacturer/Distributor Franchise Agreement is received. This will enable us to correct any deficiencies before the Manufacturer/Distributor approval is received.

# Arkansas Motor Vehicle Commission

## LICENSE PROCEDURES

### ADDING OR DISCONTINUING A FRANCHISE LINE

#### ADDING A FRANCHISE LINE TO AN EXISTING DEALER LICENSE:

1. Call our office to ensure the Manufacturer or Distributor is properly licensed and has received the authority to do business in the State of Arkansas.
2. At least 15 days prior to the effective date, mail a letter stating your intentions, requested effective date and enclose the following:
  - a. An Original Certificate of License valid through December 31 of current year
  - b. A legible copy of the entire Franchise Agreement/Dealer Sales & Service Agreement.
  - c. Relevant Market Area Statement.
3. Our office will properly endorse the new product line on a new Certificate of License at no charge and will mail same to your dealership as expeditiously as possible.

#### DISCONTINUING A FRANCHISE LINE FROM A DEALER LICENSE:

1. At least 15 days prior to the effective date:
  - a. Mail a letter stating your intentions
  - b. List your requested effective date
  - c. Return Original Certificate of License valid through December 31 of current year.
2. Our office will remove the product line from the Certificate of License, issue a new Certificate of License at no charge and mail your corrected Certificate to your dealership as expeditiously as possible.
3. If at any time after termination you have any problem with the buyback of products, parts, signs, etc., and/or payment of monies due, please contact this office in writing, stating the problems and following the guidelines of Complaint Filing Procedures, steps #1 and last part of #2. We will assist you in resolving any termination problems.

# Arkansas Motor Vehicle Commission

## LICENSE PROCEDURES

### CHANGE OF OWNERSHIP AT THE SAME LOCATION

Reference A.C.A. §23-112-301 through §23-112-307

PLEASE SUBMIT THE FOLLOWING TO THE AMVC AT LEAST 15 DAYS PRIOR TO EFFECTIVE DATE:

1. Letter of approval from manufacturer or distributor for each franchise held.
2. Letter from selling dealer naming purchaser with purchaser's address and telephone number.
3. An Initial Dealer Packet, including appropriate applications may be obtained at [amvc.arkansas.gov](http://amvc.arkansas.gov), or upon request will be mailed to purchaser.
4. Purchaser should contact Insurance or Surety Agent to obtain a New Motor Vehicle Dealer Surety Bond in the amount of \$50,000 for an Auto, Truck or RV Dealership or \$25,000 for a Motorcycle, ATV, Lessor or Scooter Dealership. The Bond Form is provided in the Initial Dealer Packet.
5. Upon receipt of final approval (Franchise Agreement, Dealer Sales and Service Agreement or Letter of Intent) from Manufacturer/Distributor, purchaser should submit completed application(s) with all documents and fees required. The document requirements are listed on the second page of the Initial Dealer Application. You will also need to submit Salesperson Transfer Forms for all existing Salespersons licensed with the existing dealership that will be retained by Purchaser.

**NOTE:**

- ◆ Purchaser is required to submit paperwork to this office as completed for us to review and hold in pending until Manufacturer/Distributor approval is received. This will also enable us to correct any deficiencies before Manufacturer Distributor approval is received.
- ◆ All Sales Personnel remaining will be required to submit transfer applications.
- ◆ Selling Dealer's Certificate of License shall be returned to this office. All Dealer Tags (F and FX Tags) must be returned to the Revenue Office.

# Arkansas Motor Vehicle Commission

## LICENSE PROCEDURES

### RELOCATION OF DEALERSHIP

Reference A.C.A. §23-112-304, §23-112-308(A)(15) and §23-112-311.

PLEASE SUBMIT THE FOLLOWING TO THE AMVC AT LEAST 15 DAYS PRIOR TO EFFECTIVE DATE:

1. Letter of approval from Manufacturer/Distributor for each franchise held.
2. Submit letter to advise Commission of relocation to new address and include:
  - a. Relevant Market Area Statement.
  - b. State County of licensed location and County of new location.
  - c. Submit dimensions of new facility overall
  - d. Submit dimensions of each department.
3. Submit color pictures of each depicting Outside Front, Showroom, Sales, Service, Parts Storage, and Vehicle Lot.
4. Submit Original Bond Rider noting change of address.
5. Submit proof of liability insurance reflecting new address.
6. Upon completion of relocation, return original Certificate of License issued by this office for endorsement. A new Certificate of License will be forwarded indicating new location at no charge, if located in the same County.
7. If relocation is to a different County, an Initial Dealer Packet may be obtained at [amvc.arkansas.gov](http://amvc.arkansas.gov) or, upon request will be mailed to you. Please forward to this office with all appropriate applications/documents, Salesperson Transfers and fees.