

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.
Act 1239 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2612

5 By: Representative Walters
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For An Act To Be Entitled

9 AN ACT TO PROHIBIT BINDING ARBITRATION AND FORUM
10 SELECTION CLAUSES WITHIN MOTOR VEHICLE SALE
11 CONTRACTS; AND FOR OTHER PURPOSES.
12

Subtitle

13 TO PROHIBIT BINDING ARBITRATION AND
14 FORUM SELECTION CLAUSES WITHIN MOTOR
15 VEHICLE SALE CONTRACTS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 4, Chapter 75, Subchapter 4 is amended
22 to add an additional section to read as follows:

23 4-75-413. Arbitration and forum selection clauses in the sale of motor
24 vehicles.

25 (a) Except as provided in subsection (b) of this section, no new or
26 used automobile dealer shall include in the contract for the sale of a motor
27 vehicle a provision requiring the purchaser to submit a disputed matter to:

28 (1) Binding arbitration; or

29 (2) A forum outside of the county in which the dealer resides or
30 does business.

31 (b)(1) The purchaser of a motor vehicle may knowingly and voluntarily
32 agree to submit to binding arbitration only by signing a separate document
33 entitled in bold print "Waiver of Purchaser's Right to Sue" containing a
34 written waiver specifically acknowledging the purchaser's relinquishment of
35 the right to have any dispute over the sale or operation of the motor vehicle



1 decided by a court of law.

2 (2) The purchaser of a motor vehicle may knowingly and
3 voluntarily agree to submit to a forum outside of the dealer's residence or
4 place of business only by signing a separate document entitled in bold print
5 "Waiver of Purchaser's Choice of Forum" containing a written waiver
6 specifically acknowledging the purchaser's relinquishment of the right to
7 have any dispute over the sale or operation of the motor vehicle decided by a
8 court or arbitrator in the county in which the seller resides or does
9 business.

10 (3) A waiver described in subdivision (b)(1) or (b)(2) shall
11 not be enforceable unless contained in a separate document.

12 (c) A purchaser who refuses to sign a waiver described in subsection
13 (b) of this section shall not be denied the right to purchase a motor vehicle
14 at the price agreed upon by the purchaser and the seller.

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17 APPROVED: 3/24/2005
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