

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.

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009

# A Bill

HOUSE BILL 1865

4  
5 By: Representative Davenport  
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7

## For An Act To Be Entitled

8  
9 AN ACT TO CLARIFY THAT MOTOR VEHICLE SERVICE AND  
10 HANDLING FEES MAY BE CHARGED ONLY IN CONNECTION  
11 WITH A SALE OR LEASE, OR MODIFICATION, EXTENSION,  
12 OR RENEWAL THEREOF, OF A MOTOR VEHICLE; AND FOR  
13 OTHER PURPOSES.  
14

## Subtitle

15  
16 TO CLARIFY WHEN A MOTOR VEHICLE SERVICE  
17 AND HANDLING FEE MAY BE CHARGED.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 23-112-317 is amended to read as follows:  
23 23-112-317. Motor vehicle dealer service and handling fees.

24 (a) A motor vehicle dealer may fill in the blanks on standardized  
25 forms in connection with the sale or lease, or the modification, extension,  
26 or renewal of the sale or lease, of a new or a used motor vehicle if the  
27 motor vehicle dealer does not charge for the service of filling in the blanks  
28 or otherwise charge for preparing documents.

29 (b)(1) A motor vehicle dealer may charge a service and handling fee in  
30 connection with the sale or lease, or the modification, extension, or renewal  
31 of the sale or lease, of a new or a used motor vehicle for:

32 (A) The handling, processing, and storage of documents;

33 and

34 (B) Other administrative and clerical services.

35 (2)(A) The service and handling fee may be charged to allow cost  
36 recovery for motor vehicle dealers.



1 (B) A portion of the service and handling fee may result  
2 in profit to the motor vehicle dealer.

3 (c)(1) The Arkansas Motor Vehicle Commission shall determine by rule  
4 the amount of the service and handling fee that may be charged by a motor  
5 vehicle dealer. The service and handling fee shall be no less than zero  
6 dollars (\$0.00) and no more than one hundred twenty-nine dollars (\$129).

7 (2) If a service and handling fee is charged under this section,  
8 the service and handling fee shall be:

9 (A) Charged to all retail customers; and

10 (B) Disclosed on the retail buyer's order form as a  
11 separate itemized charge.

12 (d) A preliminary worksheet on which a sale price is computed and that  
13 is shown to the purchaser, a retail buyer's order form from the purchaser, or  
14 a retail installment contract, or the modification, extension, or renewal of  
15 a retail installment contract, shall include in reasonable proximity to the  
16 place on the document where the service and handling fee authorized by this  
17 section is disclosed:

18 (1) The amount of the service and handling fee; and

19 (2) The following notice in type that is bold-faced,  
20 capitalized, underlined, or otherwise conspicuously set out from the  
21 surrounding written material:

22 "A SERVICE AND HANDLING FEE IS NOT AN OFFICIAL FEE. A SERVICE AND HANDLING  
23 FEE IS NOT REQUIRED BY LAW BUT MAY BE CHARGED TO THE CUSTOMER FOR PERFORMING  
24 SERVICES AND HANDLING DOCUMENTS RELATING TO THE CLOSING OF A SALE OR LEASE,  
25 OR MODIFICATION, EXTENSION, OR RENEWAL OF A SALE OR LEASE. THE SERVICE AND  
26 HANDLING FEE MAY RESULT IN PROFIT TO THE DEALER. THE SERVICE AND HANDLING FEE  
27 DOES NOT INCLUDE PAYMENT FOR THE PREPARATION OF LEGAL DOCUMENTS. THIS NOTICE  
28 IS REQUIRED BY LAW."

29 (e) The Arkansas Motor Vehicle Commission may promulgate rules to  
30 implement, enforce, and administer this section.

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32 SECTION 2. Arkansas Code § 23-112-617 is amended to read as follows:  
33 23-112-617. Used motor vehicle dealer service and handling fee.

34 (a) A used motor vehicle dealer may fill in the blanks on standardized  
35 forms in connection with the sale or lease, or the modification, extension,  
36 or renewal of the sale or lease, of used motor vehicles if the motor vehicle

1 dealer does not charge for the service of filling in the blanks or otherwise  
2 charge for preparing documents.

3 (b)(1) A used motor vehicle dealer may charge a service and handling  
4 fee in connection with the sale or lease, or the modification, extension, or  
5 renewal of the sale or lease, of a used motor vehicle for:

6 (A) The handling, processing, and storage of documents;  
7 and

8 (B) Other administrative and clerical services.

9 (2)(A) The service and handling fee may be charged to allow cost  
10 recovery for used motor vehicle dealers.

11 (B) A portion of the service and handling fee may result  
12 in profit to the used motor vehicle dealer.

13 (c)(1) The Department of Arkansas State Police shall determine by rule  
14 the amount of the service and handling fee that may be charged by a used  
15 motor vehicle dealer. The service and handling fee shall be no less than zero  
16 dollars (\$0.00) and no more than one hundred twenty-nine dollars (\$129).

17 (2) If a service and handling fee is charged under this  
18 section, the service and handling fee shall be:

19 (A) Charged to all retail customers; and

20 (B) Disclosed on the retail buyer's order form as a  
21 separate itemized charge.

22 (d) A preliminary work sheet on which a sale price is computed and  
23 that is shown to the purchaser, a retail buyer's order form from the  
24 purchaser, or a retail installment contract, or the modification, extension,  
25 or renewal of a retail installment contract, shall include in reasonable  
26 proximity to the place on the document where the service and handling fee  
27 authorized by this section is disclosed:

28 (1) The amount of the service and handling fee; and

29 (2) The following notice in type that is bold-faced,  
30 capitalized, underlined, or otherwise conspicuously set out from the  
31 surrounding written material:

32 "A SERVICE AND HANDLING FEE IS NOT AN OFFICIAL FEE. A SERVICE AND HANDLING  
33 FEE IS NOT REQUIRED BY LAW BUT MAY BE CHARGED TO THE CUSTOMER FOR PERFORMING  
34 SERVICES AND HANDLING DOCUMENTS RELATING TO THE CLOSING OF A SALE OR LEASE,  
35 OR MODIFICATION, EXTENSION, OR RENEWAL OF A SALE OR LEASE. THE SERVICE AND  
36 HANDLING FEE MAY RESULT IN PROFIT TO THE DEALER. THE SERVICE AND HANDLING FEE

1 DOES NOT INCLUDE PAYMENT FOR THE PREPARATION OF LEGAL DOCUMENTS. THIS NOTICE  
2 IS REQUIRED BY LAW.”

3 (e) The Department of Arkansas State Police may promulgate rules to  
4 implement, enforce, and administer this section.

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