

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1974

Bill Subtitle: CONCERNING THE TRANSFER OF A CERTIFICATE OF TITLE OF A VEHICLE SUBJECT TO A LIEN OR ENCUMBRANCE.

Basic Change :

Sponsor: Representative McCollum

HB1974 Amends Arkansas Code Title 27, Chapter 14, Subchapter 9 and adds an additional section, § 27-14-918, pertaining to the transfer of a motor vehicle title subject to lien encumbrance. HB1974 prohibits an owner of a motor vehicle from delivering it to a transferee unless that owner notifies the transferee that the vehicle is subject to a lien or encumbrance. The owner must provide the name, address, and telephone number of the lienholder and must satisfy the lien in good faith within ten (10) business days from the date of the delivery. When the lien is satisfied, the owner must notify the transferee of the date of satisfaction of the lien. If the owner fails to satisfy the lien, the transferee may return the vehicle, cancel any contract on the vehicle, recover any down payment or other monies paid on the vehicle, and recover possession of any trade-in vehicles.

Revenue Impact :

Undetermined.

Taxpayer Impact :

Motor Vehicle owners will not be allowed to sell or deliver a vehicle that has an outstanding lien without written notification that the vehicle has an outstanding lien or have a title.

Resources Required :

No additional resources required.

Time Required :

Adequate time is provided.

Procedural Changes :

Revise the Motor Vehicle Procedures Manual and distribute to Revenue Offices.

Other Comments :

None.

Legal Analysis :

None.