

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 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 1567

4
5 By: Representative Mahony
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For An Act To Be Entitled

8
9 AN ACT TO SET THE MAXIMUM AMOUNT THAT A MOTOR
10 VEHICLE DEALER MAY CHARGE FOR A DOCUMENTARY FEE;
11 AND FOR OTHER PURPOSES.
12

Subtitle

13
14 TO SET THE MAXIMUM AMOUNT THAT A MOTOR
15 VEHICLE DEALER MAY CHARGE FOR A
16 DOCUMENTARY FEE.
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18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 23-112-315 is amended to read as follows:

22 23-112-315. Motor vehicle dealer documentary fees - Disclosures.

23 (a)(1) For purposes of this section, "documentary fee" means any
24 charge for services rendered to, for, or on behalf of a purchaser of a new
25 motor vehicle for the preparation, completion, handling, or processing of
26 documents relating to the sale of a new motor vehicle.

27 (2) "Documentary fee" includes, but is not limited to:

28 (A) An administration fee; or

29 (B) Any other fee or charge that is similar to a
30 documentary fee.

31 ~~(a) A motor vehicle dealer may charge a documentary fee for services~~
32 ~~rendered to, for, or on behalf of a purchaser in preparing, handling, and~~
33 ~~processing documents relating to, and closing a retail installment~~
34 ~~transaction involving, a new motor vehicle.~~

35 ~~(b) If a documentary fee is charged under this section, the fee must~~
36 ~~be:~~



1 (b) If a motor vehicle dealer charges a documentary fee, then the
 2 documentary fee:

3 (1) Shall not exceed ninety-nine dollars (\$99.00);

4 ~~(1)(2) Charged~~ Shall be charged to all purchasers, cash buyers,
 5 and credit buyers; and

6 ~~(2)(3) Disclosed~~ Shall be disclosed on the buyer's order form as
 7 a separate itemized charge.

8 (c) A preliminary work sheet on which a sale price is computed and
 9 that is shown to the purchaser, a buyers' order form from the purchaser, or a
 10 retail installment contract shall include in reasonable proximity to the
 11 place on the document where the documentary fee is disclosed:

12 (1) The amount of the fee; and

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

16 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED
 17 BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING
 18 SERVICES RELATING TO THE CLOSING OF A SALE. THIS NOTICE IS REQUIRED BY LAW."

19 (d) The Arkansas Motor Vehicle Commission is authorized to promulgate
 20 rules and regulations to ~~set a reasonable limit on the amount to be charged~~
 21 ~~for a documentary fee under subsection (a) of this section and to~~ implement,
 22 enforce, and administer this section.

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 24 SECTION 2. Arkansas Code § 23-112-612 is amended to read as follows:
 25 23-112-612. Used motor vehicle dealer documentary fees - Disclosures.

26 (a)(1) For purposes of this section, "documentary fee" means any
 27 charge for services rendered to, for, or on behalf of a purchaser of a used
 28 motor vehicle for the preparation, completion, handling, or processing of
 29 documents relating to the sale of a used motor vehicle.

30 (2) "Documentary fee" includes, but is not limited to:

31 (A) An administration fee; or

32 (B) Any other fee or charge that is similar to a
 33 documentary fee.

34 ~~(a) A used motor vehicle dealer may charge a documentary fee for~~
 35 ~~services rendered to, for, or on behalf of a purchaser in preparing,~~
 36 ~~handling, and processing documents relating to, and closing a retail~~

1 ~~installment transaction involving, a motor vehicle.~~

2 ~~(b) If a documentary fee is charged under this section, the fee~~
3 ~~must be:~~

4 (b) If a used motor vehicle dealer charges a documentary fee, then the
5 documentary fee:

6 (1) Shall not exceed ninety-nine dollars (\$99.00);

7 ~~(1)(2) Charged~~ Shall be charged to all purchasers, cash buyers,
8 and credit buyers; and

9 ~~(2)(3) Disclosed~~ Shall be disclosed on the buyer's order form as
10 a separate itemized charge.

11 (c) A preliminary work sheet on which a sale price is computed and
12 that is shown to the purchaser, a buyers' order form from the purchaser, or a
13 retail installment contract shall include in reasonable proximity to the
14 place on the document where the documentary fee is disclosed:

15 (1) The amount of the fee; and

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

19 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED
20 BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING
21 SERVICES RELATING TO THE CLOSING OF A SALE. THIS NOTICE IS REQUIRED BY LAW."

22 (d) The Department of Arkansas State Police is authorized to
23 promulgate rules and regulations to implement, enforce, and administer this
24 section.

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26 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
27 General Assembly of the State of Arkansas that the purchasers of new motor
28 vehicles are being charged fees for the preparation of documents related to
29 the sale of a new motor vehicle that exceed a reasonable amount for this
30 service; that the Arkansas Motor Vehicle Commission has refused to set a
31 reasonable documentary fee; and that this act is immediately necessary to
32 protect consumers who purchase new cars from being charged excessive
33 documentary fees. Therefore, an emergency is declared to exist and this act
34 being immediately necessary for the preservation of the public peace, health,
35 and safety shall become effective on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

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