

State of Arkansas
85th General Assembly
Regular Session, 2005

A Bill

HOUSE BILL 2612

By: Representative Walters

For An Act To Be Entitled

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

Subtitle

TO PROHIBIT BINDING ARBITRATION AND
FORUM SELECTION CLAUSES WITHIN MOTOR
VEHICLE SALE CONTRACTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 4, Chapter 75, Subchapter 4 is amended to add an additional section to read as follows:

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

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

(1) Binding arbitration; or

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

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



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

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

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