

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 2848

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

8
9 AN ACT TO ESTABLISH PROCEDURES FOR THE DELIVERY
10 PRIOR TO SALE OF A MOTOR VEHICLE TO A CONSUMER;
11 AND FOR OTHER PURPOSES.
12

Subtitle

13
14 TO ESTABLISH PROCEDURES FOR THE DELIVERY
15 PRIOR TO SALE OF A MOTOR VEHICLE TO A
16 CONSUMER.
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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 23, Chapter 112, Subchapter 3 is
22 amended to add an additional section to read as follows:

23 23-112-316. Delivery prior to sale – Disclosures.

24 (a) For purposes of this section, “delivery prior to sale” means a
25 delivery of a motor vehicle by a new motor vehicle dealer to a consumer prior
26 to:

27 (1) The consumer’s obtaining financing; and

28 (2) A purchase agreement being signed.

29 (b) If a new motor vehicle dealer engages in a delivery prior to sale,
30 then the new motor vehicle dealer shall:

31 (1) Provide disclosure to the consumer in an agreement for
32 delivery prior to sale as provided under this section; and

33 (2) Not sell the motor vehicle that is presented by the consumer
34 as a trade-in unless the consumer has been approved for financing and has
35 accepted the terms of the financing.

36 (c) The agreement for delivery prior to sale shall be:



1 (1) Printed in at least 12-point type; and

2 (2) Signed by the consumer and the new motor vehicle dealer or
3 the dealer’s representative.

4 (d) The agreement for delivery prior to sale shall be completed by the
5 new motor vehicle dealer and shall include all of the following provisions
6 with the applicable provisions that represent the agreement between the
7 dealer and the consumer marked with the letter “X” in the box next to the
8 provision:

9 “[] The consumer has been approved for financing at an
10 interest rate not to exceed _____ % for _____ months and for an amount of not
11 less than \$_____.

12 [] The consumer has not been approved for financing.

13 [] The consumer reserves the right to cancel the purchase of
14 the motor vehicle unless financing is obtained that meets the consumer’s
15 approval.

16 [] The consumer reserves the right to cancel the purchase of
17 the motor vehicle unless financing is obtained at an interest rate not to
18 exceed _____ % for _____ months and for an amount of not less than
19 \$_____.”

20 (e) The Arkansas Motor Vehicle Commission shall promulgate rules and
21 regulations to implement, enforce, and administer this section.

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23 SECTION 2. Arkansas Code Title 23, Chapter 112, Subchapter 6 is
24 amended to add an additional section to read as follows:

25 23-112-613. Delivery prior to sale – Disclosures.

26 (a) For purposes of this section, “delivery prior to sale” means a
27 delivery of a motor vehicle by a used motor vehicle dealer to a consumer
28 prior to:

29 (1) The consumer’s obtaining financing; and

30 (2) A purchase agreement being signed.

31 (b) If a used motor vehicle dealer engages in a delivery prior to
32 sale, then the used motor vehicle dealer shall:

33 (1) Provide disclosure to the consumer in an agreement for
34 delivery prior to sale as provided under this section; and

35 (2) Not sell the motor vehicle that is presented by the consumer
36 as a trade-in unless the consumer has been approved for financing and has

1 accepted the terms of the financing.

2 (c) The agreement for delivery prior to sale shall be:

3 (1) Printed in at least 12-point type; and

4 (2) Signed by the consumer and the used motor vehicle dealer or
5 the dealer's representative.

6 (d) The agreement for delivery prior to sale shall be completed by the
7 used motor vehicle dealer and shall include all of the following provisions
8 with the applicable provisions that represent the agreement between the
9 dealer and the consumer marked with the letter "X" in the box next to the
10 provision:

11 "[] The consumer has been approved for financing at an
12 interest rate not to exceed _____ % for _____ months and for an amount of not
13 less than \$_____.

14 [] The consumer has not been approved for financing.

15 [] The consumer reserves the right to cancel the purchase of
16 the motor vehicle unless financing is obtained that meets the consumer's
17 approval.

18 [] The consumer reserves the right to cancel the purchase of
19 the motor vehicle unless financing is obtained at an interest rate not to
20 exceed _____ % for _____ months and for an amount of not less than
21 \$_____."

22 (e) The Department of Arkansas State Police shall promulgate rules and
23 regulations to implement, enforce, and administer this section.

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