

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

As Engrossed: S4/1/05
A Bill

SENATE BILL 920

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5 By: Senator Malone
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8 **For An Act To Be Entitled**

9 AN ACT TO REQUIRE THE ARKANSAS MOTOR VEHICLE
10 COMMISSION TO SET A REASONABLE LIMIT FOR THE
11 DOCUMENTARY FEES CHARGED BY NEW AND USED MOTOR
12 VEHICLE DEALERS NOT TO EXCEED NINETY-NINE DOLLARS
13 (\$99.00); AND FOR OTHER PURPOSES.
14

15 **Subtitle**

16 TO REQUIRE THE ARKANSAS MOTOR VEHICLE
17 COMMISSION TO SET A REASONABLE LIMIT FOR
18 THE DOCUMENTARY FEES CHARGED BY NEW AND
19 USED MOTOR VEHICLE DEALERS NOT TO EXCEED
20 NINETY-NINE DOLLARS (\$99.00).
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 23-112-315 is amended to read as follows:

26 23-112-315. Motor vehicle dealer documentary fees - Disclosures.

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

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

32 (A) An administration fee; and

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

35 ~~(a)(b)~~ A motor vehicle dealer may charge a documentary fee for
36 services rendered to, for, or on behalf of a purchaser in preparing,



1 handling, and processing documents relating to, and closing a retail
2 installment transaction involving, a new motor vehicle.

3 ~~(b)(c)(1)~~ *If a documentary fee is charged under this section, the fee*
4 *must be:*

5 ~~(1)(A)~~ *Charged uniformly to all purchasers, cash buyers,*
6 *and credit buyers; and*

7 ~~(2)(B)~~ *Disclosed on the buyer's order form as a separate*
8 *itemized charge.*

9 (2)(A) If a documentary fee is charged the motor vehicle dealer
10 must follow the procedures for disclosure set out in this subsection (c) when
11 charging any consumer a documentary fee as provided for in this section.

12 (B) The motor vehicle dealer must obtain the client's
13 signature on a separate disclosure form. The form must also be signed by the
14 motor vehicle dealer or the dealer's representative.

15 (C) The motor vehicle dealer must disclose, to any
16 consumer, the following information in the written disclosure form:

17 (i) A clear and complete explanation of the
18 documentary fee being charged;

19 (ii) The amount of the fee; and

20 (iii) The following notice in type that is bold-
21 face, capitalized, or underlined or other wise conspicuously set out from the
22 surrounding written material:

23 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT
24 REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND
25 PERFORMING SERVICES RELATED TO THE CLOSING OF A SALE. THIS NOTICE IS
26 REQUIRED BY LAW.

27 (D) A signed copy of the disclosure form must be provided
28 to the consumer.

29 (3)(A) If a documentary fee is charged, the dealer shall
30 prominently display a poster or sign measuring at least 11' x 14' in each
31 general manager office, sales manager office, sales personnel office, and
32 finance and insurance office.

33 (B) The poster or sign shall include the following
34 information:

35 (i) The dealership charges a documentary fee; and

36 (ii) The amount of the fee.

1 ~~(e)~~(d) A preliminary work sheet on which a sale price is computed and
2 that is shown to the purchaser, a buyers' order form from the purchaser, or a
3 retail installment contract shall include in reasonable proximity to the
4 place on the document where the documentary fee is disclosed:

5 (1) The amount of the fee; and

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

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

12 ~~(d)~~(e)(1) The Arkansas Motor Vehicle Commission ~~is authorized to~~ shall
13 promulgate rules and regulations to set a reasonable limit on the amount to
14 be charged for a documentary fee under subsection (a) of this section and to
15 implement, enforce, and administer this section.

16 (2) No documentary fee shall exceed ninety-nine dollars
17 (\$99.00).

18 (f) A motor vehicle dealer may charge a documentary fee for services
19 rendered to, for, or on behalf of a purchaser in preparing, handling, and
20 processing documents relating to, and closing a retail installment
21 transaction involving a used motor vehicle. If the motor vehicle dealer
22 charges a documentary fee on a used motor vehicle, the fee shall comply with
23 the same requirements as for a documentary fee by a used motor vehicle dealer
24 under § 21-112-612.

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26 SECTION 2. Arkansas Code § 23-112-612 is amended to read as follows:

27 23-112-612. Used motor vehicle dealer documentary fees - Disclosures.

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

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

33 (A) An administration fee; and

34 (B) Any other fee or charge that is similar to a
35 documentary fee.

36 ~~(a)~~(b) A used motor vehicle dealer may charge a documentary fee for

1 services rendered to, for, or on behalf of a purchaser in preparing,
2 handling, and processing documents relating to, and closing a retail
3 installment transaction involving, a motor vehicle.

4 ~~(b)(c)~~ If a documentary fee is charged under this section, the fee
5 must be+

6 ~~(1) Charged to all purchasers, cash buyers, and credit buyers;~~
7 ~~and~~

8 ~~(2) Disclosed~~ disclosed on the buyers' order form as a separate
9 itemized charge.

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

14 (1) The amount of the fee; and

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

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

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

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25 /s/ Malone
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