

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

HOUSE BILL 1974

4
5 By: Representative McCollum

For An Act To Be Entitled

6
7
8 AN ACT CONCERNING THE TRANSFER OF A CERTIFICATE OF
9 TITLE OF A VEHICLE SUBJECT TO A LIEN OR ENCUMBRANCE;
10 AND FOR OTHER PURPOSES.

Subtitle

11
12
13 CONCERNING THE TRANSFER OF A CERTIFICATE
14 OF TITLE OF A VEHICLE SUBJECT TO A LIEN
15 OR ENCUMBRANCE.
16

17
18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21 SECTION 1. Arkansas Code Title 27, Chapter 14, Subchapter 9, is
22 amended to add an additional section to read as follows:

23 27-14-918. Transfer of title of vehicle subject to lien or
24 encumbrance.

25 (a) An owner shall not sell or deliver a vehicle that is subject to an
26 outstanding lien or encumbrance before providing the transferee a written
27 verified statement that:

28 (1) Notifies the transferee that the vehicle is subject to an
29 outstanding lien or encumbrance and that the lienholder is in possession of
30 the certificate of title of the vehicle;

31 (2) Provides the name, address, and telephone number of the
32 lienholder; and

33 (3) The owner will in good faith satisfy the outstanding lien or
34 encumbrance within ten (10) business days from the date the vehicle is
35 delivered to the transferee.

36 (b) Upon the satisfaction of a lien or encumbrance on a vehicle, the



1 owner shall provide written notice of the date that the lien or encumbrance
2 was satisfied to the transferee.

3 (c) If an owner fails to satisfy the lien or encumbrance on a vehicle
4 as provided in subdivision (a)(3) of this section, the transferee may,
5 without penalty or cost:

6 (1) Return the vehicle to the owner;

7 (2) Cancel and rescind the contract, sale, lease, or agreement
8 for the sale or transfer of the vehicle;

9 (3) Recover from the owner a down payment and other money
10 previously paid as part of the purchase or transfer; and

11 (4) Recover possession and ownership of the vehicle the
12 transferee traded or sold to the owner for the purchase or transfer of the
13 vehicle.

14 (d)(1) A violation of this section shall constitute a deceptive trade
15 practice as described in the Deceptive Trade Practices Act, § 4-88-101 et
16 seq.

17 (2) The remedies, penalties, and authority granted to the
18 Attorney General under the Deceptive Trade Practices Act, § 4-88-101 et seq.,
19 shall be available to the Attorney General for the enforcement of this
20 section.

21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36