

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1974

By: Representative McCollum

## For An Act To Be Entitled

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

## Subtitle

CONCERNING THE TRANSFER OF A CERTIFICATE  
OF TITLE OF A VEHICLE SUBJECT TO A LIEN  
OR ENCUMBRANCE.

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

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

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

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

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

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

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

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



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

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

(1) Return the vehicle to the owner;

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

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

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

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

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