

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: S4/3/25

A Bill

HOUSE BILL 1845

By: Representative Holcomb

By: Senator Hill

For An Act To Be Entitled

AN ACT TO ALLOW THE ELECTRONIC ADMINISTRATION OF DOCUMENTS RELATED TO THE TRANSFER AND OWNERSHIP OF MOTOR VEHICLES; TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO ESTABLISH AN ELECTRONIC LIEN SYSTEM, AN ELECTRONIC TITLING SYSTEM, AND AN ELECTRONIC REGISTRATION SYSTEM; TO ALLOW FOR AN ELECTRONIC APPLICATION FOR REGISTRATION AND CERTIFICATE OF TITLE; TO AUTHORIZE THE CREATION OF A SECURE DIGITAL VEHICLE TITLE SYSTEM; TO AUTHORIZE ELECTRONIC SIGNATURES FOR MOTOR VEHICLE REGISTRATION AND CERTIFICATES OF TITLE; TO ALLOW FOR ELECTRONIC DISCLOSURE OF ODOMETER READINGS; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW THE ELECTRONIC ADMINISTRATION OF DOCUMENTS RELATED TO THE OWNERSHIP OF MOTOR VEHICLES; TO AUTHORIZE ELECTRONIC LIEN, TITLING, AND REGISTRATION SYSTEMS; AND TO AUTHORIZE THE CREATION OF A SECURE DIGITAL TITLE SYSTEM.

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

SECTION 1. Arkansas Code § 4-90-206(a), concerning the odometer reading disclosure requirement on the transfer of a motor vehicle, is amended to read as follows:



(a)(1) A person transferring his or her ownership of a motor vehicle shall give the transferee a written or electronic disclosure:

(A) Of the cumulative mileage registered by the odometer;

or

(B) That the mileage is not actual, if the transferor knows that the mileage registered by the odometer is incorrect.

(2) A person making a written or electronic disclosure required by a rule prescribed under subdivision (a)(1) of this section may not make a false statement in the disclosure.

(3) A person acquiring a motor vehicle for resale may accept a disclosure under this section only if it is complete.

(4) The Secretary of the Department of Finance and Administration shall adopt, pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., rules not inconsistent with this subchapter or Title 49, Chapter 327 of the United States Code, or any rules promulgated thereunder prescribing the manner in which the written or electronic disclosure shall be made.

(5) An electronic odometer disclosure under this section shall be made as authorized under 49 U.S.C. § 32705(g), as it existed on January 6, 2025.

SECTION 2. Arkansas Code § 4-90-206(b)(2)(A), concerning the use of power of attorney when making an odometer disclosure, is amended to read as follows:

(2)(A) If the title to a motor vehicle issued to a transferor is in the possession of a lienholder when the transferor transfers ownership of the vehicle, the transferor may use a written or electronic power of attorney in making the mileage disclosure required under subsection (a) of this section.

SECTION 3. Arkansas Code § 4-90-206(c)(1) and (2), concerning the disclosure of an odometer reading by a lessee to a lessor when a lessee transfers a motor vehicle, are amended to read as follows:

(c)(1) For a leased motor vehicle, the lessee shall provide the written or electronic disclosure required by subsection (a) of this section to the lessor when the lessor transfers ownership of that vehicle.

(2) The lessor shall provide written or electronic notice to the lessee of:

(A) The mileage disclosure requirements of subsection (a) of this section; and

(B) The penalties for failure to comply with those requirements.

SECTION 4. Arkansas Code § 27-14-104, concerning the definitions used in the Motor Vehicle Administration, Certificate of Title, and Antitheft Act, is amended to add an additional subdivision to read as follows:

(30) "Secure digital vehicle title" means a digital version of a certificate of title.

SECTION 5. Arkansas Code § 27-14-705(a)(2), concerning the contents of an application for registration and certificate of title for motor vehicles, is amended to read as follows:

(2) Every application shall bear the signature of the owner, written with pen and ink or with an electronic signature, unless the person is unable to write, in which case he or she affixes his or her mark, "X", which must be witnessed by a person other than the Office of Motor Vehicle employee, and the signature shall be acknowledged by the owner before a person authorized to administer oaths.

SECTION 6. Arkansas Code § 27-14-713(d)(1), concerning issuance of registration certificates and certificates of title, is amended to read as follows:

(d)(1) The certificate of title shall contain upon the front side a space for the signature of the owner, and the owner shall write his or her name with pen and ink or with an electronic signature in the space upon receipt of the certificate, except when a surviving owner or a beneficiary applies for a new title under § 27-14-727.

SECTION 7. Arkansas Code § 27-14-714(a)(1), concerning the signing of a registration certificate of a motor vehicle, is amended to read as follows:

(a)(1)(A) Every owner, upon receipt of a registration certificate, shall write his or her signature thereon, with pen and ink or with an

electronic signature in the space provided. ~~Every such registration certificate shall be, at all times, carried in the vehicle to which it refers or shall be carried by the person driving or in control of the vehicle, who shall display it~~

(B) The registration certificate shall be:

(i) Carried in the vehicle or on the person driving or in control of the vehicle; and

(ii) Made available for display upon demand of a police officer or any officer or employee of the Office of Motor Vehicle.

SECTION 8. Arkansas Code Title 27, Chapter 14, Subchapter 7, is amended to add an additional section to read as follows:

27-14-728. Secure digital vehicle title.

(a) The Secretary of the Department of Finance and Administration may choose to implement a system that offers the holder of a vehicle title a paperless, secure digital vehicle title in lieu of a secure paper vehicle title.

(b) If implemented, the secure vehicle digital title system authorized under subsection (a) of this section shall meet all requirements of the Department of Finance and Administration for a secure paper or electronic title at the time of implementation.

SECTION 9. Arkansas Code § 27-14-802, concerning the deposit of an instrument creating a lien or encumbrance with the Office of Motor Vehicle, is amended to add an additional subsection to read as follows:

(d) A lien, lien release, or security interest required to be deposited with the Office of Motor Vehicle under this section may be transmitted electronically to the Office of Motor Vehicle.

SECTION 10. Arkansas Code § 27-14-803 is amended to read as follows:
27-14-803. Filing and certification.

(a)(1) Upon receipt of application and documents as provided in this subchapter, the Office of Motor Vehicle shall file them, endorsing thereon the date and hour received at the central office of the Office of Motor Vehicle.

(2) When satisfied as to the genuineness and regularity of the

application, the Office of Motor Vehicle shall issue a new certificate of title in usual form giving the name of the owner and a statement of all liens or encumbrances certified to the Office of Motor Vehicle as provided in this section as existing against the vehicle.

(b)(1) Except as provided in subdivision (b)(2) of this section, an application for a registration or certificate of title under § 27-14-705 may be transmitted electronically to the Office of Motor Vehicle.

(2) A dealer that submits fewer than twenty-five (25) applications for a registration certificate or certificate of title annually may transmit an application for a registration certificate or certificate of title under § 27-14-705 electronically to the Office of Motor Vehicle.

(c)(1) Notwithstanding any other requirement in this chapter that a lien on a vehicle be noted on the face of the certificate of the title, if there are one (1) or more liens or encumbrances on a vehicle, the Office of Motor Vehicle may transmit the lien electronically to the first lienholder and notify the first lienholder of any additional liens.

(2) A subsequent lien satisfaction:

(A) May be transmitted electronically to the Office of Motor Vehicle; and

(B) Shall include the name and address of the person satisfying the lien and any additional information that may be required by the Office of Motor Vehicle.

(3) When the electronic transmission of a lien or a lien satisfaction is used, a certificate of title is not required to be issued until the last lien is satisfied and a clear certificate of title is issued to the owner of the vehicle.

(4) When a vehicle is subject to an electronic lien, the certificate of title for the vehicle is considered to be physically held by the lienholder for purposes of compliance with state or federal odometer disclosure requirements.

(5) A certified copy of the Office of Motor Vehicle's electronic record of the lien or lien release shall be admissible in any civil, criminal, bankruptcy, or administrative proceeding in this state as evidence of the existence of the lien.

(d) Within one (1) year of the date on which the electronic lien system, electronic titling system, and electronic registration system

established under § 27-14-906 becomes operational, a dealer shall use the electronic lien system, electronic titling system, and electronic registration system, unless otherwise specified in this chapter or upon receipt of a waiver from the Secretary of the Department of Finance and Administration.

SECTION 11. Arkansas Code § 27-14-906, concerning applications for registration and title certificates, is amended to add an additional subsection to read as follows:

(f)(1) The Office of Motor Vehicle may implement an electronic lien system, electronic titling system, and electronic registration system that enables the following transactions to be conducted through a completely electronic process:

(A) A dealer or the service provider for a dealer applying for a motor vehicle certificate of title and registration on behalf of the dealer, the service provider of the dealer, or a customer of the dealer or the service provider of the dealer; and

(B) A financial institution or the service provider for a financial institution applying for the electronic submission of a lien and a lien satisfaction.

(2)(A) If the department contracts with a qualified vendor to implement the systems authorized under subdivision (f)(1) of this section, the contract may provide for a no-cost option to the state.

(B) If a no-cost contract is issued under subdivision (f)(2)(A) of this section, the qualified vendor shall collect a per-transaction fee from the end-user of the system.

(C) The per-transaction fee charged under subdivision (f)(2)(B) of this section shall not exceed the reasonable costs associated with the development, implementation, training, and ongoing management of the systems created under subdivision (f)(1) of this section.

(3) A system created under subdivision (f)(1) of this section:

(A) Shall:

(1) Allow real-time connectivity to the National Motor Vehicle Title Information System, as appropriate; and

(2) Meet or exceed applicable security requirements set by the Department of Shared Administrative Services; and

(B) May incorporate proof of assessment of the personal property and payment of personal property taxes as set forth in § 27-14-1015 into the systems created under subdivision (f)(1) of this section.

SECTION 12. CONTINGENT EFFECTIVE DATE. (a)(1) Upon the implementation of the systems under § 27-14-906(f), the Office of Motor Vehicle shall certify that fact in writing to the Secretary of the Department of Finance and Administration.

(2) The secretary shall file the certification under subdivision (a)(1) of this section with the Director of the Bureau of Legislative Research and the Arkansas Code Revision Commission.

(b)(1) Sections 9 and 10 of this act shall become effective upon the date of the certification of implementation under subdivision (a)(1) of this section.

(2) Sections 9 and 10 of this section shall not become effective unless the systems under § 27-14-906(f) are implemented.

/s/Holcomb