



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1845

Amendment Number: S1

Bill 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.

Sponsors:

Rep. Holcomb and Sen. Hill

Basic Change:

HB1845-S1 (engrossed 04/03/2025) authorizes the Office of Motor Vehicle of the Department of Finance and Administration (DFA) to implement an electronic lien system, electronic titling system, and electronic registration system that enables certain transactions to be conducted through a completely electronic process.

DFA is authorized to develop the system or contract with a qualified vendor to implement the system at a no-cost option to the state. The vendor would charge a per-transaction fee to the end-user. The system must allow real-time connectivity to the National Motor Vehicle Title Information System and must meet or exceed applicable security requirements set by the Department of Shared Administrative Services. The system may incorporate proof of assessment of personal property and payment of personal property taxes.

Once the system is implemented, DFA is to certify that fact in writing and file the certification with the Bureau of Legislative Research and the Arkansas Code Revision Commission. Within one year of the system being operational, a motor vehicle dealer will be required to use the system unless they are exempted or receive a waiver from DFA.

HB1845-S1 also adds electronic records authorization for odometer statements and certain powers of attorney.

Fiscal Impact:

None.

Taxpayer Impact:

DFA would be authorized to implement an electronic system for vehicle titles, registrations, and the recording of liens.

Resources Required:

The Arkansas Integrated Revenue System (AIRS) / Driver Services/Motor Vehicle (DSMV) system will need to be modified. To develop this system under HB1845-S1, a competitive procurement process may be required.



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Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Updates will be required to the Office of Motor Vehicle (OMV) manual and the DFA website. Training and review sessions will be conducted for State Revenue Office, Office of Driver Services, and Office of Motor Vehicle employees and staff.

Other Comments:

None.

Legal Analysis:

None.