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2 95th General Assembly
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4

As Engrossed: S4/3/25

A Bill

HOUSE BILL 1845

5 By: Representative Holcomb
6 By: Senator Hill
7

For An Act To Be Entitled

9 AN ACT TO ALLOW THE ELECTRONIC ADMINISTRATION OF
10 DOCUMENTS RELATED TO THE TRANSFER AND OWNERSHIP OF
11 MOTOR VEHICLES; TO AUTHORIZE THE DEPARTMENT OF
12 FINANCE AND ADMINISTRATION TO ESTABLISH AN ELECTRONIC
13 LIEN SYSTEM, AN ELECTRONIC TITLING SYSTEM, AND AN
14 ELECTRONIC REGISTRATION SYSTEM; TO ALLOW FOR AN
15 ELECTRONIC APPLICATION FOR REGISTRATION AND
16 CERTIFICATE OF TITLE; TO AUTHORIZE THE CREATION OF A
17 SECURE DIGITAL VEHICLE TITLE SYSTEM; TO AUTHORIZE
18 ELECTRONIC SIGNATURES FOR MOTOR VEHICLE REGISTRATION
19 AND CERTIFICATES OF TITLE; TO ALLOW FOR ELECTRONIC
20 DISCLOSURE OF ODOMETER READINGS; AND FOR OTHER
21 PURPOSES.
22

Subtitle

25 TO ALLOW THE ELECTRONIC ADMINISTRATION
26 OF DOCUMENTS RELATED TO THE OWNERSHIP OF
27 MOTOR VEHICLES; TO AUTHORIZE ELECTRONIC
28 LIEN, TITLING, AND REGISTRATION SYSTEMS;
29 AND TO AUTHORIZE THE CREATION OF A
30 SECURE DIGITAL TITLE SYSTEM.
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32 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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34 SECTION 1. Arkansas Code § 4-90-206(a), concerning the odometer
35 reading disclosure requirement on the transfer of a motor vehicle, is amended
36 to read as follows:



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

3 (A) Of the cumulative mileage registered by the odometer;
4 or

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

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

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

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

18 (5) An electronic odometer disclosure under this section shall
19 be made as authorized under 49 U.S.C. § 32705(g), as it existed on January 6,
20 2025.

21
22 SECTION 2. Arkansas Code § 4-90-206(b)(2)(A), concerning the use of
23 power of attorney when making an odometer disclosure, is amended to read as
24 follows:

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

30
31 SECTION 3. Arkansas Code § 4-90-206(c)(1) and (2), concerning the
32 disclosure of an odometer reading by a lessee to a lessor when a lessee
33 transfers a motor vehicle, are amended to read as follows:

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

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

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

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

7
8 SECTION 4. Arkansas Code § 27-14-104, concerning the definitions used
9 in the Motor Vehicle Administration, Certificate of Title, and Antitheft Act,
10 is amended to add an additional subdivision to read as follows:

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

13
14 SECTION 5. Arkansas Code § 27-14-705(a)(2), concerning the contents of
15 an application for registration and certificate of title for motor vehicles,
16 is amended to read as follows:

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

23
24 SECTION 6. Arkansas Code § 27-14-713(d)(1), concerning issuance of
25 registration certificates and certificates of title, is amended to read as
26 follows:

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

32
33 SECTION 7. Arkansas Code § 27-14-714(a)(1), concerning the signing of
34 a registration certificate of a motor vehicle, is amended to read as follows:

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

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

5 (B) The registration certificate shall be:

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

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

10
11 SECTION 8. Arkansas Code Title 27, Chapter 14, Subchapter 7, is
12 amended to add an additional section to read as follows:

13 27-14-728. Secure digital vehicle title.

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

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

22
23 SECTION 9. Arkansas Code § 27-14-802, concerning the deposit of an
24 instrument creating a lien or encumbrance with the Office of Motor Vehicle,
25 is amended to add an additional subsection to read as follows:

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

29
30 SECTION 10. Arkansas Code § 27-14-803 is amended to read as follows:
31 27-14-803. Filing and certification.

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

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

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

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

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

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

17 (2) A subsequent lien satisfaction:

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

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

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

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

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

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

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

6
7 SECTION 11. Arkansas Code § 27-14-906, concerning applications for
8 registration and title certificates, is amended to add an additional
9 subsection to read as follows:

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

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

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

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

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

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

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

32 (A) Shall:

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

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

1 (B) May incorporate proof of assessment of the personal
2 property and payment of personal property taxes as set forth in § 27-14-1015
3 into the systems created under subdivision (f)(1) of this section.
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5 SECTION 12. CONTINGENT EFFECTIVE DATE. (a)(1) Upon the
6 implementation of the systems under § 27-14-906(f), the Office of Motor
7 Vehicle shall certify that fact in writing to the Secretary of the Department
8 of Finance and Administration.

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

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

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

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18 /s/Holcomb
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