

Act 251 of the 1989 Regular Session.

Act 251

HB1280

By: Representative McJunkin

"AN ACT TO AMEND ARKANSAS CODE OF 1987 ANNOTATED SECTIONS 27-14-904 AND 27-14-906, AND TO REPEAL SECTION 27-14-905 TO CLARIFY THE PROCEDURE OF REGISTRATION AND LICENSING OF MOTOR VEHICLES; TO AMEND ARKANSAS CODE OF 1987 ANNOTATED SECTION 27-14-802(a) TO ELIMINATE THE REQUIREMENT OF A CERTIFICATE OF A NOTARY PUBLIC ATTESTING TO THE AUTHENTICITY OF AN INSTRUMENT CREATING A LIEN ON A MOTOR VEHICLE; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 27-14-906 of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) The Commissioner is authorized to permit motor vehicle dealers to make applications for registration and certificates of title and to furnish them to the office in behalf of the purchaser of a new or used motor vehicle acquired from a dealer.

(b) The Commissioner shall promulgate reasonable rules and regulations to be complied with by motor vehicle dealers in making application for registration and certificates of title on behalf of purchasers of new or used motor vehicles from a dealer and may, if he deems it necessary, require the dealer to post bond to ensure faithful compliance with such rules and regulations.

(c)(1) Any motor vehicle dealer who has been authorized by the Commissioner to prepare applications for registration and certificates of title with respect to new or used motor vehicles sold by a dealer shall transmit them to the Commissioner and shall attach thereto a copy of any conditional sales contract, conditional lease, chattel mortgage, or other lien or encumbrance or title retention instrument upon the motor vehicle.

(2) Upon receipt thereof, the Commissioner shall file a lien and encumbrance, as provided in 27-14-801 et seq., which shall, from the date of filing, be notice of the lien or encumbrance.

(d) On issuing the registration and certificate of title, the Commissioner shall mail the registration to the owner and the title to the lienholder, or to the owner if no lien exists."

SECTION 2. Section 27-14-904 of the Arkansas Code of 1987 Annotated is amended to read as follows:

"When the transferee of a vehicle is a dealer who holds it for resale and lawfully operates it under dealers' number plates or does not drive the vehicle or permit it to be driven upon the highways, the dealer shall not be required to obtain a new registration for the vehicle or be required to forward the certificate of title to the Office of Motor Vehicle, but the dealer, upon transferring his title or interest to another person, shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver it to the person to whom the transfer is made."

SECTION 3. Section 27-14-905 of the Arkansas Code of 1987 Annotated is

repealed.

SECTION 4. Section 27-14-802(a) of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) There shall be deposited with the office a copy of the instrument creating and evidencing a lien or encumbrance, which instrument is to be executed in the manner required by the laws of this state and accompanied by the certificate of title last issued for the vehicle."

SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 6. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

APPROVED: February 24, 1989

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