

As Engrossed: 1/28/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative McJunkin**

A BILL ACT 293 OF 1991
HOUSE BILL 1073

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 27-14-906 TO ALLOW THE
9 REVENUE COMMISSIONER TO PERMIT MOTOR VEHICLE LIENHOLDERS
10 TO MAKE APPLICATION FOR TITLE ON BEHALF OF THE PURCHASER
11 OF THE MOTOR VEHICLE; AND FOR OTHER PURPOSES."

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

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15 SECTION 1. Arkansas Code 27-14-906 is hereby amended to read as follows:

16 "27-14-906. Dealer and lienholder applications for registration and title
17 certificates.

18 (a) The commissioner is authorized to permit *lienholders* and motor vehicle
19 dealers to make applications for registration and certificates of title and to
20 furnish them to the office on behalf of the purchaser of a new or used motor
21 vehicle .

22 (b) The commissioner shall promulgate reasonable rules and regulations to
23 be complied with by motor vehicle dealers and *lienholders* in making
24 application for registration and certificates of title on behalf of purchasers
25 of new or used motor vehicles and may, if he deems it necessary, require the
26 dealer or lienholder to post bond
27 to ensure faithful compliance with such rules and regulations.

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

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

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1 (d) On issuing the registration and certificate of title, the commissioner
2 shall mail the registration to the owner and the title to the lienholder, or
3 to the owner if no lien exists.

4 (e) *If the failure of a motor vehicle dealer or other lienholder to comply*
5 *with the provisions of Ark. Code Ann. § 27-14-802 or § 27-14-806 results in*
6 *such motor vehicle dealer or lienholder holding an unperfected security*
7 *interest in the motor vehicle, no action shall lie against the Department of*
8 *Finance and Administration for any damages resulting from such failure to*
9 *perfect a security interest."*

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11 SECTION 2. All provisions of this Act of a general and permanent nature
12 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
13 Revision Commission shall incorporate the same in the Code.

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15 SECTION 3. If any provision of this Act or the application thereof to
16 any person or circumstance is held invalid, such invalidity shall not affect
17 other provisions or applications of the Act which can be given effect without
18 the invalid provision or application, and to this end the provisions of this
19 Act are declared to be severable.

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21 SECTION 4. All laws and parts of laws in conflict with this Act are
22 hereby repealed.

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24 SECTION 5. Emergency. It is hereby found and determined by the General
25 Assembly that the Revenue Commissioner should be authorized to permit lenders
26 to make application on behalf of their borrowers for certificates of title for
27 motor vehicles financed by the lenders; that this Act grants such authority to
28 the Revenue Commissioner; and that this Act should go into effect as soon as
29 possible in order to grant the Revenue Commissioner the authority to relieve
30 and undue burden which now exists upon motor vehicle lienholder. Therefore,
31 an emergency is hereby declared to exist and this Act being immediately
32 necessary for the preservation of the public peace, health and safety shall be
33 in full force and effect from and after its passage and approval.

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/s/ L. McJunkin

APPROVED: 3-1-91