

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 1929 of the Regular Session**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

*As Engrossed: H3/16/05 H3/30/05*

**A Bill**

HOUSE BILL 2415

5 *By: Representatives Overbey, Mahony, Bolin*  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO AMEND THE PROCEDURE FOR ISSUANCE AND  
10 USE OF MOTOR VEHICLE DEALER'S LICENSE PLATES; AND  
11 FOR OTHER PURPOSES.  
12

**Subtitle**

13 AMENDS THE PROCEDURE FOR ISSUANCE AND  
14 USE OF MOTOR VEHICLE DEALER'S LICENSE  
15 PLATES.  
16  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code § 27-14-601(a)(6), concerning the  
22 registration of motor vehicle dealers, is amended as follows:

23 (6) Dealers.

24 (A) A "dealer", for the purposes of this subdivision  
25 (a)(6), means a person, firm, or corporation engaged in the business of  
26 buying and selling vehicles subject to registration in this state.

27 (B)(i) As a condition precedent to obtaining dealer's  
28 license plates, the dealer shall furnish the director a certification that  
29 the applicant is a vehicle dealer and has a bona fide, established place of  
30 business used for the sale of vehicles, an office used for that business, a  
31 telephone listed in the name of the business, and a sign identifying the  
32 establishment. Certification shall be required for all renewals of dealer  
33 license plates. This dealer certification shall not apply to dealers licensed  
34 by the Department of Arkansas State Police, the Arkansas Motor Vehicle  
35 Commission, or the Arkansas Manufactured Home Commission and who are



1 regulated by those authorities. The dealer certification shall consist of  
2 completion of a self-certification form prepared by the Office of Motor  
3 Vehicle.

4 (ii)(a) Upon furnishing the certification to the  
5 director, or a copy of the dealer's license from either the Department of  
6 Arkansas State Police or the Arkansas Motor Vehicle Commission and the  
7 payment of a fee of one hundred dollars (\$100), the dealer shall be issued a  
8 master license plate and upon the payment of a fee of twenty-five dollars  
9 (\$25.00) shall be issued a dealer's extra license plate as provided in § 27-  
10 14-1704. There is no limit to the number of dealer's extra license plates  
11 that may be purchased by a dealer. However, the dealer must secure a master  
12 license plate for each separate place of business.

13 (b) No more than one (1) dealer's extra  
14 license plate shall be issued for each manager, sales manager, or salesperson  
15 of the dealer as authorized under § 27-14-1704, regardless of whether the  
16 dealer sells automobiles, motorcycles, or both automobiles and motorcycles.

17 (c) Notwithstanding any other provision of  
18 this chapter, the Office of Motor Vehicle shall provide distinctive dealer's  
19 master and extra license plates for motorcycles. Motorcycle dealers shall  
20 not be provided and shall not be authorized to use dealer's license plates  
21 designed for any motor vehicle other than a motorcycle unless the dealer  
22 provides proof to the satisfaction of the Office of Motor Vehicle that the  
23 dealer is also in the business of selling new or used motor vehicles of the  
24 type for which the dealer plate is sought.

25 (iii)(a) Upon furnishing certification to the  
26 director or a copy of the dealer's license from the Arkansas Manufactured  
27 Home Commission and upon the payment of fifty dollars (\$50.00), the  
28 manufactured home dealer shall be issued certification from the director for  
29 the purpose of assigning manufactured home titles.

30 (b) Each location shall be treated as a  
31 separate entity, and certification by the department shall be required for  
32 each location.

33 (c) Notwithstanding any other provision of  
34 this chapter, the Office of Motor Vehicle shall provide distinctive dealer's  
35 license plates for manufactured homes. Manufactured home dealers shall not  
36 be provided and shall not be authorized to use dealer's license plates

1 designed for a motor vehicle, motorcycle, or anything other than a  
2 manufactured home.

3 (C) When a dealer's master license plate or extra license  
4 plate is attached to any dealer-owned motor vehicle, the motor vehicle may be  
5 used by the dealer, a manager, a sales manager, or a salesperson employed by  
6 the dealership to drive to or from work and for personal or business trips  
7 inside or outside the dealer's county of residence.

8 (D) In addition to any other penalty prescribed by this  
9 chapter, Any any dealer, manager, sales manager, or salesperson of the dealer  
10 who pleads guilty or nolo contendere to or who is found guilty of the misuse  
11 of a dealer's master license plate or dealer's extra license plate or of  
12 allowing anyone else to misuse a dealer's master license plate or dealer's  
13 extra license plate shall be fined not more than two hundred fifty dollars  
14 (\$250) for the first offense, not more than five hundred dollars (\$500) for  
15 the second offense, and not more than one thousand dollars (\$1000) for the  
16 third and subsequent offenses.

17  
18 SECTION 2. Arkansas Code § 27-14-1701 is amended as follows:

19 27-14-1701. Operation of vehicles under special plates.

20 (a) A manufacturer or dealer owning any vehicle of a type otherwise  
21 required to be registered under this chapter may operate or move it upon the  
22 highways solely for purposes of transporting, ~~testing, demonstrating, or~~  
23 ~~selling~~ it without registering each vehicle, upon condition that any such  
24 ~~vehicle display, in the manner prescribed by § 27-14-716, a special plate or~~  
25 temporary cardboard tag issued to the owner as provided in this subchapter.

26 (b) A transporter may operate or move any vehicle of like type upon  
27 the highways solely for the purpose of delivery, upon ~~likewise~~ displaying a  
28 ~~similar~~ special plate issued to him or her as provided in this subchapter.

29 (c) The provisions of this subchapter shall not apply to work or  
30 service vehicles owned by a manufacturer, transporter, or dealer.

31 (d) The Director of the Department of Finance and Administration shall  
32 provide the specifications, form, and color of the special temporary  
33 cardboard tag required under this section.

34 (e) In addition to any other penalty prescribed by this chapter, any  
35 dealer, manager, sales manager, or salesperson of the dealer, or manufacturer  
36 who pleads guilty or nolo contendere to or who is found guilty of the misuse

1 of a special temporary cardboard tag issued under this section, or of  
2 allowing anyone else to misuse a special temporary cardboard tag shall be  
3 fined not more than two hundred fifty dollars (\$250) for the first offense,  
4 not more than five hundred dollars (\$500) for the second offense, and not  
5 more than one thousand dollars (\$1,000) for the third and subsequent  
6 offenses.

7  
8 SECTION 3. Arkansas Code § 27-14-1702 is amended as follows:

9 27-14-1702. Application for and issuance of certificates and special  
10 plates.

11 (a) Any manufacturer, transporter, or dealer may make application to  
12 the office, upon the appropriate form, for a certificate containing a general  
13 distinguishing number and for one (1) or more pairs of special plates, ~~or~~  
14 single special plates, or special temporary cardboard tags, as appropriate,  
15 subject to § 27-14-1701 and § 27-14-1704, to various types of vehicles  
16 subject to registration under this chapter. The applicant shall also submit  
17 proof of his or her status as a bona fide manufacturer, transporter, or  
18 dealer, as may reasonably be required by the office.

19 (b) The office, upon granting any such application, shall issue to the  
20 applicant a certificate containing the applicant's name and address and the  
21 general distinguishing number assigned to the applicant.

22 (c)(1) The office shall also issue a special plate, ~~or~~ plates, or  
23 special temporary cardboard tags as applied for, which shall have displayed  
24 thereon the general distinguishing number assigned to the applicant.

25 (2) Each plate, ~~or~~ pair of plates, or special temporary  
26 cardboard tags so issued shall also contain a number or symbol identifying it  
27 or them from every other plate, ~~or~~ pair of plates, or special temporary  
28 cardboard tags bearing the same general distinguishing number.

29  
30 SECTION 4. Arkansas Code Title 27, Chapter 14, Subchapter 17 is  
31 amended to add additional sections to read as follows:

32 27-14-1704. Dealer's extra license plates.

33 (a) Each dealer as defined in § 27-14-601(a)(6) shall furnish the  
34 Director of Department of Finance and Administration with a list of each  
35 manager, sales manager, and salesperson authorized to operate a motor vehicle  
36 to which a dealer's extra license plate issued to the dealer has been or will

1 be attached:

2 (1) Upon initial application for dealer's extra license plates  
3 as provided in § 27-14-1702; and

4 (2) Upon renewal of dealer's extra license plates as provided in  
5 § 27-14-1703.

6 (b) The dealer's extra license plate may be used only by the dealer,  
7 manager, or salesperson of the dealer and only for the following purposes:

8 (1) To drive to and from work;

9 (2) For business or personal trips inside or outside the  
10 dealer's county of residence;

11 (3) To transport the vehicle; or

12 (4) To demonstrate the vehicle.

13 (c) Neither the dealer's extra license plate issued under this section  
14 nor the dealer's master plate issued under § 27-14-601(a)(6) shall be used  
15 for purposes of allowing a prospective buyer to test drive a vehicle unless  
16 the dealer, manager, or salesperson of the dealer is present in the vehicle.

17 (d) In addition to any other penalty prescribed by this chapter, any  
18 dealer, manager, salesperson, or employee of a dealer who pleads guilty or  
19 nolo contendere to or who is found guilty of the misuse of a dealer's extra  
20 license plate or dealer's master plate or of allowing anyone else to misuse a  
21 dealer's extra license plate or dealer's master plate shall be fined not more  
22 than two hundred fifty dollars (\$250) for the first offense, not more than  
23 five hundred dollars (\$500) for the second offense, and not more than one  
24 thousand dollars (\$1,000) for the third and subsequent offenses.

25  
26 27-14-1705. Temporary cardboard buyer's tags.

27 (a) A dealer shall issue to a person who buys an unregistered vehicle  
28 one (1) temporary cardboard buyer's tag for the vehicle.

29 (b)(1) The temporary cardboard buyer's tag is valid for the operation  
30 of the vehicle until the earlier of:

31 (A) The date on which the vehicle is registered; or

32 (B) The thirtieth day after the date of purchase.

33 (2) If the date a transferee of a motor vehicle must register  
34 the vehicle is extended under § 27-14-903(a)(1), the dealer may issue one (1)  
35 additional temporary cardboard buyer's tag to the transferee, to expire  
36 thirty (30) days from the date the additional temporary cardboard buyer's tag

1 was issued.

2 (c)(1) The dealer shall show in ink on the temporary cardboard buyer's  
3 tag the actual date of sale and any other information required by the  
4 Director of the Department of Finance and Administration.

5 (2) The dealer shall be responsible for affixing the temporary  
6 cardboard buyer's tag to the vehicle as provided in this section.

7 (d) The temporary cardboard buyer's tag under this section shall be  
8 placed at the location provided for the permanent motor vehicle license  
9 plate.

10 (e) The dealer is responsible for the safekeeping and distribution of  
11 each temporary cardboard buyer's tag that the dealer obtains from the  
12 director.

13 (f) The director shall provide the specifications, form, and color of  
14 the temporary cardboard buyer's tag.

15 (g)(1)(A) The dealer shall be responsible for paying to the director a  
16 fee to be set by the director, which shall not exceed one dollar (\$1.00), for  
17 each temporary cardboard buyer's tag. The dealer shall pass this fee on to  
18 the buyer to whom the tag was issued.

19 (B) The fee shall be collected by the director before  
20 issuance of the temporary cardboard buyer's tag to the dealer.

21 (C) No dealer shall be allowed to charge a customer a fee  
22 for a temporary cardboard buyer's tag higher than that charged to the dealer  
23 by the director.

24 (2) The gross receipts or gross proceeds derived from the sale  
25 or issuance of temporary cardboard buyer's tags under this section shall be  
26 exempt from the Arkansas gross receipts tax levied by the Arkansas Gross  
27 Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas compensating use  
28 tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,  
29 and any other state or local tax administered under those chapters.

30 (3) All fees collected by the director under this section shall  
31 be deposited into the State Treasury and the Treasurer of State shall credit  
32 them as general revenues to the General Revenue Fund Account of the State  
33 Apportionment Fund.

34 (h) For each temporary cardboard buyer's tag provided to a buyer by  
35 the dealer, the dealer shall retain documentation containing:

36 (1) The dealer's name;

1           (2) The buyer's name;

2           (3) The date the temporary cardboard buyer's tag was issued;

3           (4) The vehicle's vehicle identification number;

4           (5) The make and model of the vehicle; and

5           (6) The expiration date of the temporary cardboard buyer's tag.

6           (i) Any dealer, manager, salesperson, or employee of the dealer who  
7 pleads guilty or nolo contendere to or who is found guilty of the misuse of a  
8 temporary cardboard buyer's tag or of allowing anyone else to misuse a  
9 temporary cardboard buyer's tag shall be fined not more than two hundred  
10 fifty dollars (\$250) for the first offense, not more than five hundred  
11 dollars (\$500) for the second offense, and not more than one thousand dollars  
12 (\$1,000) for the third and subsequent offenses.

13           (j) This section shall not apply to an owner or lessee of a registered  
14 motor vehicle who elects to display a license plate on a replacement motor  
15 vehicle under § 27-14-902(a)(3)(B).

16  
17           27-14-1706. Vehicles provided for purposes of demonstration or for  
18 repair customers.

19           (a) A dealer may allow a prospective buyer or customer to drive an  
20 unregistered vehicle:

21           (1) To demonstrate or to allow a prospective buyer to test drive  
22 the vehicle for sale purposes for a period not to exceed seventy-two (72)  
23 hours; or

24           (2) As a loaner vehicle for a customer while the customer's  
25 vehicle is being repaired in the dealer's shop for a period not to exceed  
26 fourteen (14) calendar days.

27           (b)(1)(A) The dealer shall issue to the prospective buyer or customer  
28 one (1) temporary cardboard tag for the vehicle to be placed at the location  
29 provided for the permanent motor vehicle license plate.

30           (B) The Director of the Department of Finance and  
31 Administration shall provide the specifications, form, and color of the  
32 temporary cardboard tag.

33           (2) If the date on which the prospective buyer or customer is  
34 required to return the vehicle to the dealer falls on Saturday, Sunday, or a  
35 legal holiday on which the dealer is not open for business, then the  
36 prospective buyer or customer will have until the next succeeding business

1 day that is not a Saturday, Sunday, or legal holiday to return the vehicle  
2 and still be in compliance with this section.

3 (c) When a dealer provides an unregistered vehicle to a prospective  
4 buyer or customer under this section, the dealer shall complete and keep in  
5 his or her possession an information sheet containing:

6 (1) The year, make, and model of the vehicle;

7 (2) The vehicle identification number;

8 (3) The prospective buyer's or customer's name;

9 (4) The time and date that the temporary cardboard tag was  
10 issued to the prospective buyer or customer;

11 (5) The reason the vehicle was furnished to the prospective  
12 buyer or customer; and

13 (6) The length of time the prospective buyer or customer may  
14 retain the vehicle.

15 (7) The Director of the Department of Finance and Administration  
16 shall provide the specifications, form, and color of the information sheet to  
17 be used by dealers under this subsection.

18 (8) Information sheets retained by the dealer under this  
19 subsection are subject to examination by the director at any reasonable time.

20 (d)(1) A temporary cardboard tag is not required if the prospective  
21 buyer or customer is required to return the vehicle before the end of the  
22 business day upon which the vehicle was provided to the prospective buyer or  
23 customer, and it shall not be unlawful for a prospective buyer or customer to  
24 test drive an unregistered vehicle in the manner provided in this subsection.

25 (2) A dealer may, at the dealer's option, provide a prospective  
26 buyer or customer as described in this subsection with a test drive or loaner  
27 information sheet for purposes of verifying that the vehicle is being driven  
28 with the permission of the dealer.

29 (3) The Director of the Department of Finance and Administration  
30 shall design the test drive or loaner information sheet to be used by dealers  
31 under this subsection and shall make this information sheet available at all  
32 state revenue offices and on the department's website.

33 (4) A dealer shall be allowed to make and use photocopies of the  
34 test drive or loaner information sheet designed by the department in lieu of  
35 the original provided by the department.

36 (e) Any dealer who violates this section shall be fined the amount of



1 twenty-five dollars (\$25.00) per violation.

3 27-14-1707. Authority to promulgate rules.

4 In addition to the authority provided in § 27-14-403, the Director of  
5 the Department of Finance and Administration may promulgate, adopt, and  
6 enforce such rules as may be necessary to carry out this subchapter.

8 SECTION 5. Arkansas Code § 27-14-305, concerning the penalty for using  
9 or making unofficial license plates, is amended to read as follows:

10 (a) It shall be unlawful for the owner of any automobile, Class One  
11 truck, trailer or semitrailer, motorcycle, or motorcycle sidecar to display  
12 any license ~~plates~~ plate on the rear of the vehicle that ~~are~~ is not furnished  
13 by the Director of the Department of Finance and Administration.

14 (b)(1) It shall be unlawful for any person, firm, or corporation to  
15 reproduce or paint any license plate or registration card in this state.

16 (2) For purposes of this section, "license plate" means any  
17 plate designed to be affixed to the rear of a motor vehicle, including, but  
18 not limited to, plates advertising a new or used car dealership or other type  
19 of business, rental car company identification plates, or any plate or card  
20 with the designation "TAG APPLIED FOR" or any similar designation.

21 (c) Any person, firm, or corporation violating the provisions of this  
22 section shall be deemed guilty of a misdemeanor and, upon conviction, shall  
23 be fined in any sum not less than one hundred dollars (\$100) nor more than  
24 five hundred dollars (\$500).

25  
26 SECTION 6. EFFECTIVE DATE. This act shall become effective January 1,  
27 2006.

29 /s/ Overbey

32 APPROVED: 04/11/2005

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