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4

As Engrossed: H2/28/11

A Bill

HOUSE BILL 1496

5 By: Representatives Williams, Allen, Baird, T. Baker, Barnett, Carnine, Dale, J. Edwards, Fielding,
6 Gaskill, Hall, Hickerson, Hobbs, Hyde, Ingram, Johnston, Kerr, Lea, Lindsey, Murdock, Pierce, Rice, T.
7 Rogers, Sanders, Steel, T. Steele, Stubblefield, T. Thompson, Vines, Walker, Westerman, B. Wilkins, H.
8 Wilkins, Woods, Wright, *Bell, Biviano, Carter, Eubanks, Leding, Word*
9 By: Senators J. Dismang, Bledsoe, L. Chesterfield, Elliott, Files, S. Flowers, M. Lamoureux, B. Sample,
10 D. Wyatt
11

For An Act To Be Entitled

12 AN ACT TO CONFORM THE SALVAGE AUCTION BUYER'S
13 IDENTIFICATION CARD LAW TO THE COMMERCE CLAUSE OF
14 ARTICLE 1, § 8 OF THE UNITED STATES CONSTITUTION; AND
15 FOR OTHER PURPOSES.
16

Subtitle

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19 TO CONFORM THE SALVAGE AUCTION BUYER'S
20 IDENTIFICATION CARD LAW TO THE COMMERCE
21 CLAUSE OF ARTICLE 1, § 8 OF THE UNITED
22 STATES CONSTITUTION.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 23-112-602(9), regarding definitions under
29 the used motor vehicle buyers protection law, is repealed.

30 ~~(9) "Salvage auction" means an auto auction that provides for~~
31 ~~the wholesale exchange or sale of wrecked, salvaged, damaged, or water-~~
32 ~~damaged motor vehicles using an auction format;~~
33

34 SECTION 2. Arkansas Code § 23-112-614 is amended to read as follows:

35 23-112-614. ~~Salvage auction buyer's identification card~~ Auto auction
36 fees for salvage-titled or parts-only titled vehicles.



1 (a) ~~On and after January 1, 2006, sales of motor vehicles at a salvage~~
2 ~~auction in the State of Arkansas shall be open only to persons who possess an~~
3 ~~Arkansas salvage auction buyer's identification card issued under this~~
4 ~~section.~~

5 (b)(1)(A) ~~The salvage auction buyer's identification card authorizing~~
6 ~~persons to bid or buy motor vehicles at a salvage auction shall be available~~
7 ~~to any person, business, or corporation, or an employee thereof, that:~~

8 (i) ~~Possesses a valid new motor vehicle dealer~~
9 ~~license under § 23-112-301, a used motor vehicle dealer license under § 23-~~
10 ~~112-607, a valid wrecker license under § 27-14-2001, or is a licensed motor~~
11 ~~vehicle dealer from another state under § 23-112-616; and~~

12 (ii) ~~Registers with the Department of Arkansas State~~
13 ~~Police.~~

14 (B) ~~Salvage auction buyer's identification cards shall be~~
15 ~~issued by the department on a form prescribed by the department and shall~~
16 ~~contain at a minimum:~~

17 (i) ~~The name, address, driver's license number, any~~
18 ~~dealer's or wrecker's license numbers, physical description, and signature of~~
19 ~~the applicant; and~~

20 (ii) ~~The name and address of the employer of the~~
21 ~~applicant.~~

22 (2) ~~The department shall issue the salvage auction buyer's~~
23 ~~identification card at a fee not to exceed:~~

24 (A) ~~Thirty five dollars (\$35.00) for the first card issued~~
25 ~~to the cardholder and fifty dollars (\$50.00) for the second card issued to~~
26 ~~the cardholder if the cardholder is:~~

27 (i) ~~An Arkansas resident dealer or wrecker; and~~

28 (ii) ~~At least one (1) of the following:~~

29 (a) ~~A licensed new motor vehicle dealer;~~

30 (b) ~~A licensed used motor vehicle dealer; or~~

31 (c) ~~A wrecker licensed as required under § 27-~~
32 ~~14-2001; or~~

33 (B) ~~Three hundred fifty dollars (\$350) for the first card~~
34 ~~issued to the cardholder and two hundred fifty dollars (\$250) for the second~~
35 ~~card issued to the cardholder if the cardholder is:~~

36 (i) ~~An out-of-state resident; and~~

1 ~~(ii) Licensed by another state as a motor vehicle~~
2 ~~dealer or wrecker and meets the requirements of the department.~~

3 ~~(3) A person or entity who is a cardholder under this section~~
4 ~~shall be limited to no more than two (2) salvage auction buyer's~~
5 ~~identification cards under this section.~~

6 ~~(4) The salvage auction buyer's identification card shall be~~
7 ~~renewable each year for a fee of the same amount.~~

8 ~~(5) The fees collected under this subsection shall be remitted~~
9 ~~as follows:~~

10 ~~(A)(i) A five-dollar (\$5.00) fee shall be charged to the~~
11 ~~buyer of each item at a salvage an auto auction that is regulated under the~~
12 ~~salvage auction buyer's identification card and sold on a certificate of~~
13 ~~title that is labeled "salvage" or "parts-only".~~

14 ~~(b) The fee shall be classified as is special revenues revenue and~~
15 ~~shall be deposited into the State Treasury.~~

16 ~~(ii)(c) The Treasurer of State shall transfer the special revenues~~
17 ~~received under subdivision (b)(5)(A)(i) of this section on the last business~~
18 ~~day of each month as follows:~~

19 ~~(a)(1) Fifty percent (50%) for the Arkansas Department of~~
20 ~~Environmental Quality to be used for inspection and oversight of auto~~
21 ~~auctions for the purpose of enforcing to enforce all laws and regulations~~
22 ~~rules administered by the Arkansas Department of Environmental Quality; and~~

23 ~~(b)(2) Fifty percent (50%) for the Department of Arkansas State~~
24 ~~Police to be used for inspection and oversight of auto auctions; and.~~

25 ~~(B) The remaining amount to the State Treasury, there to~~
26 ~~be deposited as special revenues to the credit of the Department of Arkansas~~
27 ~~State Police Fund, to be used to offset the administrative costs for issuance~~
28 ~~of the salvage auction buyer's identification card under this section.~~

29 ~~(c)(1) The owner, manager, or person in charge of a salvage auction~~
30 ~~shall:~~

31 ~~(A) Prohibit the bidding by any person who does not~~
32 ~~possess a salvage auction buyer's identification card;~~

33 ~~(B) Refuse to sell a motor vehicle to any person if the~~
34 ~~person does not possess a valid salvage auction buyer's identification card;~~
35 ~~and~~

36 ~~(C) Prohibit any person who intends to purchase without a~~

1 ~~salvage auction buyer's identification card from being present at the salvage~~
2 ~~auction site during a sale, except as provided under subdivision (c)(2) of~~
3 ~~this section.~~

4 ~~(2) Each holder of a salvage auction buyer's identification card~~
5 ~~may be accompanied at the salvage auction by anyone in accordance with that~~
6 ~~salvage auction's guidelines.~~

7 ~~(d)(1) A salvage auction buyer's identification card may be cancelled~~
8 ~~if the person pleads guilty or nolo contendere to or has been found guilty~~
9 ~~of:~~

10 ~~(A) Unauthorized use of a vehicle;~~

11 ~~(B) Theft of property or theft by receiving if a stolen~~
12 ~~motor vehicle or stolen vehicle parts were involved; or~~

13 ~~(C) Violating any provision of this subchapter.~~

14 ~~(2) A salvage auction buyer's identification card issued to a~~
15 ~~licensed motor vehicle dealer or salesperson or to a licensed wrecker may be~~
16 ~~cancelled if:~~

17 ~~(A) The person's license is cancelled; or~~

18 ~~(B) The license is no longer valid.~~

19 ~~(e)(1) The owner, manager, or person in charge of a salvage auction~~
20 ~~shall keep a register of all sales of motor vehicles for three (3) years from~~
21 ~~the date of the sale.~~

22 ~~(2) The sales transaction register shall include:~~

23 ~~(A) A motor vehicle's:~~

24 ~~(i) Make;~~

25 ~~(ii) Model;~~

26 ~~(iii) Year;~~

27 ~~(iv) Body style; and~~

28 ~~(v) Vehicle identification number;~~

29 ~~(B) The name and address of the seller and buyer of the~~
30 ~~motor vehicle; and~~

31 ~~(C) The salvage auction buyer's identification card~~
32 ~~number.~~

33 ~~(3) The register shall be made available for inspection by law~~
34 ~~enforcement officers of the state, county, or municipality during regular~~
35 ~~business hours on business days at the salvage auction's business location.~~

36

SECTION 3. Arkansas Code §§ 23-112-615 and 23-112-616 are repealed.

~~23-112-615. Prohibition.~~

~~(a) It is unlawful for the owner, manager, or person in charge of a salvage auction to:~~

~~(1) Fail to prohibit the bidding by any person who does not possess a salvage auction buyer's identification card;~~

~~(2) Fail to refuse to sell a motor vehicle to any person if the person does not possess a valid salvage auction buyer's identification card; or~~

~~(3) Fail to prohibit any person who intends to purchase without a salvage auction buyer's identification card from being present at the salvage auction site during a sale, except as provided under § 23-112-614(c)(2).~~

~~(b) A violation of subsection (a) of this section is a Class B misdemeanor.~~

~~23-112-616. Dealers from other states.~~

~~Nothing in § 23-112-614 shall prohibit a motor vehicle dealer from another state from buying a motor vehicle at a salvage auction in the State of Arkansas if:~~

~~(1) The state in which the dealer is licensed extends the same privilege to a dealer licensed in Arkansas; and~~

~~(2) The out-of-state motor vehicle dealer obtains a salvage auction buyer's identification card as required in § 23-112-614.~~

SECTION 4. Arkansas Code § 19-6-301(226), regarding special revenues, is amended to read as follows:

(226) ~~Salvage auction buyer's identification card~~ Auto auction fees for salvage-titled or parts-only titled vehicles, § 23-112-614(b)(5);

/s/Williams

APPROVED: 03/10/2011