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2 89th General Assembly
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4

As Engrossed: S3/28/13
A Bill

HOUSE BILL 1707

5 By: Representative B. Overbey
6

7 **For An Act To Be Entitled**

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING TEMPORARY
9 PREPRINTED PAPER BUYER'S TAGS FOR MOTOR VEHICLES; TO
10 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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13 **Subtitle**

14 TO AMEND ARKANSAS LAW CONCERNING
15 TEMPORARY PREPRINTED PAPER BUYER'S TAGS
16 FOR MOTOR VEHICLES; AND TO DECLARE AN
17 EMERGENCY.
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19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 *SECTION 1. Arkansas Code § 19-6-201(54), concerning the inclusion of*
23 *temporary preprinted paper buyer's tag fees in general revenues, is amended*
24 *to read as follows:*

25 *(54) ~~Unregistered~~ The first three dollars (\$3.00) of each*
26 *unregistered vehicle temporary preprinted paper buyer's tag ~~fees~~ fee, § 27-*
27 *14-1705;*
28

29 *SECTION 2. Arkansas Code § 27-14-1705 is amended to read as follows*
30 *27-14-1705. Temporary preprinted paper buyer's tags.*

31 (a)(1)(A) A person who buys a motor vehicle from a licensed dealer
32 shall be required to obtain one (1) temporary preprinted paper buyer's tag
33 for the vehicle and any correlating ~~stickers that are~~ sticker that is to be
34 placed on the tag.

35 (B) The preprinted paper buyer's tag may be issued by an
36 approved licensed dealer, vendor, or the Office of Motor Vehicle.



1 (2)(A) A person who buys a motor vehicle from a licensed dealer
2 that cannot issue temporary preprinted paper buyer's tags shall:

3 (i) Obtain the preprinted paper buyer's tag and
4 ~~stickers~~ sticker within ten (10) calendar days after the date of purchase of
5 the vehicle from an approved vendor or the Office of Motor Vehicle;

6 (ii) Provide to the vendor or the Office of Motor
7 Vehicle a copy of the bill of sale or other documentation necessary to verify
8 the dealer's name, the buyer's name, the date of sale, the motor vehicle's
9 vehicle identification number, and the make, color, and model of the vehicle;
10 and

11 (iii) Maintain a copy of the bill of sale for the
12 motor vehicle in the vehicle until the buyer obtains the preprinted paper
13 buyer's tag and ~~stickers~~ sticker.

14 (B) A person who fails to obtain a preprinted paper
15 buyer's tag and ~~stickers~~ sticker within ten (10) calendar days of the date of
16 purchase of the vehicle is subject to the fines in this section.

17 (b)(1) The temporary preprinted paper buyer's tag is valid for the
18 operation of the vehicle until the earlier of:

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

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

21 (2)(A) If the date that a transferee of a motor vehicle must
22 register the vehicle is extended under § 27-14-903(a)(2), the dealer may
23 issue one (1) additional temporary preprinted paper buyer's tag and sticker
24 to the transferee, to expire thirty (30) calendar days from the date that the
25 additional temporary preprinted paper buyer's tag was issued.

26 (B)(i) If the dealer cannot issue preprinted paper buyer's
27 tags, the transferee may obtain a temporary preprinted paper buyer's tag from
28 the Office of Motor Vehicle.

29 (ii) The additional preprinted paper buyer's tag
30 expires thirty (30) calendar days from the date the additional tag was
31 issued.

32 (c)(1)(A) The following information shall be printed by the dealer,
33 the vendor, or the Office of Motor Vehicle on the face of the temporary
34 preprinted paper buyer's tags:

35 (i) The actual date of sale;

36 (ii) The date of expiration;

1 (iii) The vehicle year, make, and model;
2 (iv) The vehicle identification number;
3 (v) The name of the issuing dealer; and
4 (vi) Other information required by the Office of
5 Motor Vehicle.

6 (B) The expiration date of the preprinted paper buyer's
7 tag shall be shown in ink on the preprinted paper buyer's tag in a place to
8 be determined by the Office of Motor Vehicle, and the date shall be covered
9 by a sticker for added security.

10 (2) A dealer ~~who~~ that issues a temporary preprinted paper
11 buyer's tag shall indicate on the bill of sale that a temporary preprinted
12 paper buyer's tag was issued in order to facilitate collection of the fees
13 required by this subchapter.

14 (d)(1)(A) The temporary preprinted paper buyer's tag issued under this
15 section shall be placed at the location provided for the permanent motor
16 vehicle license plate.

17 (B)(i) The temporary preprinted paper buyer's tag shall be
18 covered by a translucent material that protects the temporary tag until the
19 tag's expiration.

20 (ii) The translucent material covering the tag shall
21 be approved by the Office of Motor Vehicle.

22 (C)(i) The information on the tag shall be visible and
23 readable when viewing the temporary tag covered with the translucent
24 material.

25 (ii) The translucent material shall cover the tag in
26 the manner approved by the Office of Motor Vehicle.

27 (D) A dealer ~~who~~ that issues a temporary preprinted paper
28 buyer's tag shall insert the tag ~~in~~ into the translucent material and attach
29 the tag to each vehicle the dealer sells to keep the tag in place and
30 readable when the vehicle is in use.

31 (2) If a preprinted paper buyer's tag placed at the location
32 provided for the permanent motor vehicle license plate becomes damaged or
33 destroyed, the motor vehicle purchaser shall be required to register the
34 vehicle under § 27-14-705 or obtain a replacement preprinted paper buyer's
35 tag from the original issuing dealer or from the Office of Motor Vehicle.

36 (3) The replacement preprinted paper buyer's tag shall expire on

1 the expiration date of the original preprinted paper buyer's tag.

2 (e) The Director of the Department of Finance and Administration shall
3 provide the specifications, form, and color of the temporary preprinted paper
4 buyer's tag.

5 (f)(1)(A) The buyer shall be responsible for paying to the director a
6 fee to be set by the director, which shall not exceed ~~two dollars and fifty~~
7 ~~cents (\$2.50)~~ four dollars (\$4.00), for each temporary preprinted paper
8 buyer's tag and any correlating ~~stickers~~ sticker the buyer receives.

9 (B) This fee shall be collected at the time the buyer
10 registers the vehicle under § 27-14-705.

11 (2) The gross receipts or gross proceeds derived from the sale
12 or issuance of temporary preprinted paper buyer's tags under this section
13 shall be exempt from the Arkansas gross receipts tax levied by the Arkansas
14 Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas
15 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
16 26-53-101 et seq., and any other state or local tax administered under those
17 chapters.

18 (3)(A) All Except as provided in subdivision (f)(3)(B) of this
19 section, all fees collected by the director under this section shall be
20 deposited into the State Treasury, and the Treasurer of State shall credit
21 them as general revenues to the General Revenue Fund Account of the State
22 Apportionment Fund.

23 (B) All amounts in excess of the first three dollars
24 (\$3.00) of the fee collected under subdivision (f)(1)(A) of this section
25 shall be deposited into the State Treasury, and the Treasurer of State shall
26 credit them as cash revenue to the credit of the Department of Finance and
27 Administration Revenue Services Division to offset administrative costs.

28 (g)(1) For each temporary preprinted paper buyer's tag provided to a
29 buyer, the issuer shall retain documentation containing:

- 30 (A) The dealer's name and master license plate number;
31 (B) The buyer's name;
32 (C) The date the temporary preprinted paper buyer's tag
33 was issued;
34 (D) The vehicle's vehicle identification number;
35 (E) The make and model of the vehicle; and
36 (F) The expiration date of the temporary preprinted paper

1 buyer's tag.

2 (2) An issuer of preprinted paper buyer's tags shall provide the
3 documentation required to be retained by subdivision (g)(1) of this section
4 to the Office of Motor Vehicle on the date of sale for entry into the vehicle
5 temporary tag database provided in § 27-14-1708.

6 (h)(1) In addition to any other penalty prescribed by this section,
7 the director may suspend or terminate a dealer's authority to issue temporary
8 preprinted paper buyer's tags if the director determines that the dealer,
9 manager, salesperson, or employee of the dealer:

10 (A) Issues more than one (1) temporary preprinted paper
11 buyer's tag to the same buyer for the same motor vehicle, except as
12 authorized under subdivision (b)(2) or subdivision (d)(2) of this section; or

13 (B) Utilizes a temporary preprinted paper buyer's tag for
14 any use other than a use authorized by subsections (b) and (d) of this
15 section.

16 (2) The director shall:

17 (A) Notify the dealer in writing of a suspension or
18 termination of the dealer's authority to issue temporary preprinted paper
19 buyer's tags under this section; and

20 (B) Provide information in the notice regarding the
21 prohibited activity upon which the suspension or termination is based.

22 (3) The dealer's authority to issue temporary preprinted paper
23 buyer's tags may be suspended for:

24 (A) Six (6) months for the first occurrence under
25 subdivision (h)(1) of this section; or

26 (B) One (1) year for the second occurrence under
27 subdivision (h)(1) of this section.

28 (4) The dealer's authority to issue temporary preprinted paper
29 buyer's tags may be terminated for a third or subsequent occurrence under
30 subdivision (h)(1) of this section.

31 (5)(A) A dealer who desires a hearing on the suspension or
32 termination shall notify the director in writing within twenty (20) days
33 after receipt of the notice of suspension or termination.

34 (B) A hearing officer appointed by the director shall
35 schedule a hearing in an office of the Revenue Division of the Department of
36 Finance and Administration in the county of the dealer's principal place of

1 business, unless the director and the dealer agree to another location for
2 the hearing or agree that the hearing shall be held by telephone.

3 (C) Hearings conducted under this section shall be subject
4 to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

5 (D) The hearing officer shall render his or her decision
6 in writing to modify, reverse, or affirm the suspension or termination of the
7 dealer's authority to issue temporary preprinted paper buyer's tags based
8 upon the evidence presented at the hearing and shall serve a copy of the
9 decision on the dealer.

10 (6)(A) If the decision sustains, in whole or in part, the
11 suspension or termination of the dealer's authority to issue temporary
12 preprinted paper buyer's tags, the dealer may file suit within thirty (30)
13 days of receipt of the decision in the Pulaski County Circuit Court or the
14 circuit court of the county of the dealer's principal place of business.

15 (B) The dealer shall serve a copy of the petition on the
16 director.

17 (C) The appeal shall not stay the order of suspension or
18 termination and the order shall remain in effect and be terminated only in
19 the event a decision reversing the suspension or termination is issued by the
20 circuit court.

21 (7) An appeal from the circuit court shall be in accordance with
22 the laws governing appeals.

23 ~~(h)(1)(i)(1)~~ Any dealer or approved vendor or any manager,
24 salesperson, or employee of the dealer or vendor who pleads guilty or nolo
25 contendere to or is found guilty of the misuse of a temporary preprinted
26 paper buyer's tag or of allowing anyone else to misuse a temporary preprinted
27 paper buyer's tag shall be fined not more than:

28 (A) Two hundred fifty dollars (\$250) for the first
29 offense;

30 (B) Five hundred dollars (\$500) for the second offense;
31 and

32 (C) One thousand dollars (\$1,000) for the third and
33 subsequent offenses.

34 (2) A buyer who pleads guilty or nolo contendere to or is found
35 guilty of failing to obtain a temporary buyer's tag shall be fined not more
36 than twenty-five dollars (\$25.00).

1 (3) A buyer who pleads guilty or nolo contendere to or is found
2 guilty of altering a preprinted paper buyer's tag or the fraudulent use of a
3 preprinted paper buyer's tag shall be fined not more than:

4 (A) Two hundred fifty dollars (\$250) for the first
5 offense;

6 (B) Five hundred dollars (\$500) for the second offense;
7 and

8 (C) One thousand dollars (\$1,000) for the third and
9 subsequent offenses.

10 ~~(i)~~ This section does not apply to an owner or lessee of a
11 registered motor vehicle who elects to display a license plate on a
12 replacement motor vehicle under § 27-14-902(a)(3)(B).
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14 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that this act is necessary to
16 ensure that motor vehicles on the road are properly tagged after purchase;
17 and that this act should become effective as soon as possible to promote the
18 safety of the public when operating motor vehicles. Therefore, an emergency
19 is declared to exist, and this act being immediately necessary for the
20 preservation of the public peace, health, and safety shall become effective
21 on:

22 (1) The date of its approval by the Governor;

23 (2) If the bill is neither approved nor vetoed by the Governor,
24 the expiration of the period of time during which the Governor may veto the
25 bill; or

26 (3) If the bill is vetoed by the Governor and the veto is
27 overridden, the date the last house overrides the veto.
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29 /s/B. Overbey
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32 **APPROVED: 04/04/2013**
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