

As Engrossed: 3/6/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A Bill

HOUSE BILL 1416

4 **By: Representatives Bryan, Capps, D. Roberts,**
5 **Landers, Jones, Flanagan and I. Brown**

For An Act To Be Entitled

9 *"AN ACT TO ELIMINATE THE REQUIREMENT OF PROOF OF INSURANCE*
10 *WHEN REGISTERING A VEHICLE; TO ELIMINATE THE REQUIREMENT*
11 *OF PROOF OF ASSESSMENT OF PROPERTY TAXES WHEN REGISTERING*
12 *A VEHICLE; TO AUTHORIZE COUNTY ASSESSORS TO REVOKE A*
13 *TAXPAYER'S MOTOR VEHICLE REGISTRATION AND LICENSE FOR*
14 *FAILING TO ASSESS ALL OF THE TAXPAYER'S PROPERTY; TO*
15 *INCREASE THE PENALTIES FOR FAILURE TO ASSESS OR PAY TAX ON*
16 *ALL OF THE TAXPAYER'S PROPERTY; TO AUTHORIZE THE*
17 *DEPARTMENT OF FINANCE AND ADMINISTRATION TO DESIGNATE ONE*
18 *PERSON IN EACH REVENUE OFFICE AS A DEPUTY COUNTY*
19 *COLLECTOR; AND FOR OTHER PURPOSES."*

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

22
23 *SECTION 1. Sections 27-13-102 of the Arkansas Code of 1987 Annotated is*
24 *hereby repealed.*

25
26 *SECTION 2. Sections 27-13-101 of the Arkansas Code of 1987 Annotated is*
27 *hereby amended to read as follows:*

28 *"27-13-101. Payment of personal property taxes as condition to*
29 *registration or renewal.*

30 *(a) Before the Revenue Division of the Department of Finance and*
31 *Administration will issue motor vehicle licenses or tags, the taxpayer must*
32 *provide proof of payment of any personal property taxes that were due by*
33 *October 10 of the previous calendar year, which can be the original receipt of*
34 *a photocopy thereof, or an approved collector's certificate containing receipt*
35 *number, date, amount, and signature.*

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1 (b) The Director of the Assessment Coordination Division shall assist
2 the Director of the Department of Finance and Administration in discovering
3 those persons who have fraudulently registered a motor vehicle while owing
4 delinquent personal property taxes in violation of §27-14-706 or any other
5 law. The Assessment Coordination Division shall report those persons to the
6 Director of the Department of Finance and Administration for enforcement of
7 such fines and penalties as are authorized by law.

8 (c) The Director of the Department of Finance and Administration shall
9 register or renew the registration of only those vehicles listed on the tax
10 receipts of the taxpayer desiring to register the vehicle."
11

12 SECTION 3. SECTION 27-14-706 of Arkansas Code of 1987 Annotated is
13 hereby amended to read as follows:

14 "27-14-706. Payment of taxes as prerequisite to registration -
15 Exceptions.

16 (a) Any person owning a motor vehicle in Arkansas shall present proof
17 that the tax on all of the personal property of the applicant has been paid
18 with his application for registration and license plates to the Director of
19 the Department of Finance and Administration or his agents.

20 (b) The purpose of this section and §27-14-309 is to require that the
21 tax due on all personal property of the applicant shall have been paid before
22 the applicant's motor vehicle is registered or licensed for use on the
23 highways of this state.

24 (c) The provisions of this section shall not apply to dealer's licenses
25 and registration.

26 (d) Upon failure to submit such evidence, the director, or any other
27 person authorized to issue motor vehicle licenses, shall refuse to issue the
28 applicant a motor vehicle license until the taxes are paid."
29

30 SECTION 4. Section 27-14-1015 of the Arkansas Code of 1987 Annotated is
31 hereby amended to read as follows:

32 "27-14-1015. Payment of personal property taxes required.

33 (a) Every applicant for permanent plates or annual tab or decal shall
34 submit proof that he has paid all currently due personal property taxes and
35 such other information as the director may require.

1 (b)(1) It shall be the duty of the director, or any other person
2 authorized to issue motor vehicle licenses or renew licenses, to require the
3 applicant for the license to submit, in any manner that the director may
4 require, proof of payment of all outstanding personal property taxes from any
5 county in which his personal property is required by law to be assessed.

6 (2) However, no person shall be required to submit to the director
7 proof as provided in this subsection more than one (1) time in the same
8 calendar year with respect to the same vehicle.

9 (c) Any applicant who seeks to register a vehicle in a county other
10 than the county in which the vehicle was registered the previous year shall be
11 required to submit, in any manner that the director may require, proof of
12 payment of outstanding personal property taxes from the tax collector of the
13 county in which the vehicle was registered the previous year, showing that the
14 applicant has paid his personal property taxes for the previous year, or that
15 he owed none.

16 (d) Upon failure to submit such evidence, the director, or any other
17 person authorized to issue such licenses, shall refuse to issue the applicant
18 a license until the taxes are paid.

19 (e)(1) It shall be unlawful for any applicant for registration of a
20 motor vehicle to fraudulently obtain registration by producing to the director
21 proof of payment of personal property taxes showing that his personal property
22 taxes have been paid, or that he owes no taxes when in fact the applicant does
23 owe taxes in one (1) or more counties.

24 (2) Any person violating the provisions of this subsection shall be
25 guilty of a misdemeanor and, upon conviction, shall be subject to a fine of
26 not less than twenty-five dollars (\$25.00) nor more than two hundred fifty
27 dollars (\$250.00), and the director shall cancel the registration of all
28 vehicles registered in the name of that person."

29

30 SECTION 5. SECTION 27-14-1208 of Arkansas Code of 1987 Annotated is
31 hereby amended to read as follows:

32 "27-14-1208. Proof of payment of personal property taxes.

33 (a) It shall be the duty of the director, or any other person
34 authorized to issue trailer licenses or renew licenses, to require the
35 applicant for the license to submit, in any manner that the director may

1 require, proof of payment of outstanding personal property taxes from the
2 county or counties in which his personal property is required by law to be
3 assessed.

4 (b) Any applicant who seeks to register a trailer in a county other
5 than the county in which the trailer was registered the previous year shall be
6 required to submit, in any manner that the director may require, proof of
7 payment of outstanding personal property taxes from the tax collector of the
8 county in which the trailer was registered the previous year, showing that the
9 applicant has paid his personal property taxes for the previous year or that
10 he owed none.

11 (c) Upon failure to submit such evidence, the director, or any other
12 person authorized to issue the licenses, shall refuse to issue the applicant a
13 license until the taxes are paid and the assessments are made.

14 (d) (1) It shall be unlawful for any applicant for registration of a
15 trailer to fraudulently obtain registration by producing to the director proof
16 of payment of personal property taxes showing that his personal property taxes
17 have been paid, or that he owes no taxes, when in fact the applicant does owe
18 taxes in one (1) or more counties.

19 (2) (A) Any person violating the provisions of this subsection shall be
20 guilty of a misdemeanor and, upon conviction, shall be subject to a fine of
21 not less than twenty-five dollars (\$25.00) nor more than two hundred fifty
22 dollars (\$250.00); and

23 (B) The director shall cancel the registration of all trailers
24 registered in the name of the person."

25

26 SECTION 6. Section 27-14-309 of the Arkansas Code of 1987 Annotated is
27 hereby amended to read as follows:

28 "27-14-309. Failure to pay taxes on personalty as ground for
29 revocation.

30 (a) Upon sufficient proof or information that any motor vehicle has
31 been licensed and registered in this state without the tax due on all the
32 personal property of the applicant having been paid, the Director of the
33 Department of Finance and Administration is authorized to revoke the license
34 and registration of the motor vehicle.

35 (b) The provisions of this section shall apply to dealer's license and

1 registration."

2

3 SECTION 7. Subsection (a) (1) of Section 26-26-201 of the Arkansas Code
4 of 1987 Annotated is hereby amended to read as follows:

5 "(a) (1) (A) There shall be a penalty of fifteen percent (15%) of all
6 taxes due on all persons and property delinquent in assessment.

7 (B) Where the penalty of fifteen percent (15%) of the amount of all
8 taxes due shall amount to less than one dollar (\$1.00), the penalty shall be
9 arbitrarily fixed at one dollar (\$1.00)."

10

11 SECTION 8. Subsection (a) (3) of Section 26-26-1408 of the Arkansas Code
12 of 1987 Annotated is hereby amended to read as follows:

13 "(3) The fifteen percent (15%) penalty for the late assessment will not
14 apply to property becoming eligible for assessment after April 10 if the
15 property is assessed on or before June 30."

16

17 SECTION 9. Subsection (a) of Section 26-26-706 of the Arkansas Code of
18 1987 Annotated is hereby amended to read as follows:

19 "(a) The Director of the Department of Finance and Administration shall
20 prepare and file at least monthly with each county assessor a list containing
21 the names and addresses of all persons or business institutions securing
22 automobile, truck, trailer, motorcycle, and other motor vehicle licenses in
23 their respective counties. The list shall include the vehicle identification
24 number, the make, the style, and the year model of the automobile or truck and
25 the license number assigned."

26

27 SECTION 10. Subchapter 9 of Chapter 26 of Title 26 of the Arkansas Code
28 of 1987 Annotated is hereby amended by adding a new section to read as
29 follows:

30 "Section 26-26-915. Assessment of unlisted motor vehicle.

31 (a) The county assessor in each county shall have the authority to
32 assess a taxpayer for any motor vehicle which has been licensed and registered
33 in the taxpayer's name in this state if the registration reflects the taxpayer
34 resides within the assessor's jurisdiction and the taxpayer has not listed the
35 vehicle for assessment.

1 (b) The county assessor shall send the taxpayer notice of the proposed
2 assessment by certified mail, return receipt requested. The notice shall
3 identify the vehicle by the make, model, vehicle identification number and the
4 license tag number. The notice shall explain that if the taxpayer was not a
5 resident of this state during the assessment period, noting the assessment
6 period, then the taxpayer should sign the affidavit at the bottom of the
7 notice and return it to the assessor.

8 (c) If this assessment is done before the collector closes his books
9 for the collection of taxes for the year in which the property was due to have
10 been assessed, it shall be the assessor's duty to file the assessment with the
11 county clerk who shall place it upon the tax books and extend the taxes and
12 penalty thereon for the year. The collector shall proceed to collect these
13 taxes and penalty as is required by law. The notice shall also inform the
14 taxpayer that the assessment will become final if the assessor does not
15 receive a written explanation of why the proposed assessment is wrong within
16 thirty (30) days from the date of the notice."

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18 SECTION 11. Subchapter 9 of Chapter 26 of Title 26 of the Arkansas Code
19 of 1987 Annotated is hereby amended by adding a new section to read as
20 follows:

21 "Section 26-26-916. Revocation of Motor Vehicle License and
22 Registration.

23 (a) The county assessor in each county shall have the authority to
24 revoke the license and registration of any motor vehicle which has been
25 licensed and registered in this state if the person to whom the motor vehicle
26 is licensed and registered has not listed for assessment or assessed all of
27 his or her personal property. The term 'person' shall include individuals,
28 partnerships and corporations.

29 (b) The county assessor shall send the taxpayer notice of the
30 delinquent tax *assessment* by certified mail, return receipt requested. The
31 notice shall state that the assessor shall revoke the license and registration
32 of taxpayer's vehicle, identifying the vehicle by the make, model, vehicle
33 identification number and the license tag number, if the taxpayer has not
34 assessed the unlisted property or explained in writing why the property should
35 not be assessed within thirty (30) days from the date of the notice. The

1 notice shall explain that if the taxpayer was not a resident of this state
2 during the assessment period, noting the assessment period, then the taxpayer
3 should sign the affidavit at the bottom of the notice and return it to the
4 assessor.

5 (c) In the event that the taxpayer does not assess the property or
6 explain the problem within the thirty (30) day time period, the assessor shall
7 send a second notice by certified mail, return receipt requested, to the
8 taxpayer revoking the license and registration of the taxpayer's vehicle,
9 identifying the vehicle by the make, model, vehicle identification number and
10 the license tag number. Copies of this notice, certified by the assessor,
11 shall be sent to the Department of Finance and Administration, Office of Motor
12 Vehicle, and the *State Police* of the county in which the taxpayer currently
13 resides. Each *State Police* in every county shall honor and act upon notices
14 sent by assessors from every county. The *State Police* shall locate the
15 vehicle in question and recover the license tags. The *State Police* shall keep
16 the license tags until the assessor *notifies him that the tags may be released*
17 *to the taxpayer.* The *Director of the Department of Finance and Administration*
18 shall note in the records that the taxpayer's license and registration have
19 been revoked.

20 (d) When the taxpayer resolves the problem, the assessor shall provide
21 the taxpayer with a receipt which states that the license and registration for
22 taxpayer's vehicle have been reinstated, identifying the vehicle by the make,
23 model, vehicle identification number, and the license tag number. The
24 assessor shall send a copy of the receipt to the Department of Finance and
25 Administration, Office of Motor Vehicle, as notice of the reinstatement, so
26 that the vehicle records can be updated. The taxpayer shall recover the
27 license tags from the *State Police* by presenting the receipt to the *State*
28 *Police* as notification from the assessor that the tags may be released.

29 (e) The procedure for appealing an assessor's revocation of a motor
30 vehicle license and registration is the same as the procedure for appealing
31 any other action taken by the assessor."

32
33 SECTION 12. Subsection (c)(1) of Section 26-35-501 of the Arkansas Code
34 of 1987 Annotated is hereby amended to read as follows:

35 "(c)(1) It shall be the duty of the collectors of the respective

1 counties to assess a penalty of fifteen percent (15%) against all unpaid tax
2 balances remaining after October 10 for every taxpayer other than a utility or
3 carrier or after the prescribed dates listed in subsection (b) of this section
4 for utilities and carriers."

5

6 SECTION 13. *The Director of the Department of Finance and*
7 *Administration shall be authorized to designate one (1) employee in each*
8 *revenue office as a Deputy Collector for the county in which the office is*
9 *located. These Deputy Collectors shall have the same powers as a Deputy*
10 *Collector appointed by the county collector.*

11

12 SECTION 14. The provisions of this Act shall be effective beginning
13 January 1, 1992.

14

15 SECTION 15. All provisions of this Act of a general and permanent
16 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
17 Code Revision Commission shall incorporate the same in the Code.

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

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25 SECTION 17. All laws and parts of laws in conflict with this Act are
26 hereby repealed.

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28 /s/L. L. Bryan, et al

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