

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Gwatney**

A Bill

ACT 877 OF 1993
SENATE BILL 717

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 4-9-302(3) TO ESTABLISH A
9 SYSTEM OF CENTRAL FILING FOR LIENS AND ENCUMBRANCES ON
10 MOTOR VEHICLES WHERE SAID MOTOR VEHICLES ARE HELD AS
11 INVENTORY FOR LEASE BY A PERSON WHO IS IN THE BUSINESS OF
12 LEASING SAID MOTOR VEHICLES; AND FOR OTHER PURPOSES."

Subtitle

14 "ESTABLISH A SYSTEM OF CENTRAL FILING FOR LIENS AND
15 ENCUMBRANCES ON MOTOR VEHICLES HELD AS INVENTORY FOR
16 LEASE."

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

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21 SECTION 1. Arkansas Code 4-9-302(3) is amended to read as follows:

22 "(3) The filing of a financing statement otherwise required by this
23 chapter is not necessary or effective to perfect a security interest in
24 property subject to:

25 (a) A statute or treaty of the United States which provides for a
26 national or international registration or a national or international
27 certificate of title which specifies a place of filing different from that
28 specified in this chapter for filing of the security interest; or

29 (b) Any other laws of this state which provide for central
30 filing, or which require indication on a certificate of title of such security
31 interests in such property, including but not limited to §§ 27-14-801 -
32 27-14-804 concerning the filing of liens and encumbrances on motor vehicles;
33 but during any period in which collateral is inventory held for sale or lease
34 by a person who is in the business of selling or leasing goods of that kind,
35 the filing provisions of this chapter (part 4, § 4-9-401 et seq.) apply to a
36 security interest in that collateral created by him as debtor; or

1 (c) A certificate of title statute of another jurisdiction under
2 the law of which indication of a security interest on the certificate is
3 required as a condition of perfection (§ 4-9-103(2))."

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5 SECTION 2. All provisions of this act of a general and permanent nature
6 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
7 Revision Commission shall incorporate the same in the Code.

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9 SECTION 3. If any provision of this act or the application thereof to
10 any person or circumstance is held invalid, such invalidity shall not affect
11 other provisions or applications of the act which can be given effect without
12 the invalid provision or application, and to this end the provisions of this
13 act are declared to be severable.

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15 SECTION 4. All laws and parts of laws in conflict with this act are
16 hereby repealed.

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18 SECTION 5. EMERGENCY. It is hereby found and determined by the General
19 Assembly that current law provides for the filing and certification of liens
20 and encumbrances on motor vehicles held in inventory for lease by filing such
21 liens or encumbrances by notation on the Certificate of Title or
22 Manufacturer_s Statement of Origin of each motor vehicle at the Office of
23 Motor Vehicles, or by filing the financing statement at the Revenue Division
24 of the Department of Finance and Administration, and that this system is
25 overly burdensome and cumbersome on lenders who finance the operations of
26 persons in the business of leasing motor vehicles, and that this act is
27 necessary to provide an efficient and cost effective means of perfecting
28 security interests in motor vehicles which are leased. Therefore, an
29 emergency is hereby declared to exist and this act being necessary for the
30 immediate preservation of the public peace, health and safety shall be in full
31 force and effect from and after its passage and approval.

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APPROVED: 4/5/93