

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: S2/19/97 S2/28/97

A Bill

ACT 705 OF 1997
SENATE BILL 383

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5 By: Senator Roebuck
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For An Act To Be Entitled

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9 "AN ACT AMENDING ARKANSAS CODE ANNOTATED § 23-112-607 TO
10 PROVIDE THAT THE SURETY FOR A USED MOTOR VEHICLE DEALER
11 SHALL NOT BE REQUIRED TO PAY JUDGMENTS OBTAINED BY FRAUD
12 OR COLLUSION; AND FOR OTHER PURPOSES."
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Subtitle

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15 "TO AMEND A.C.A. § 23-112-607 PERTAINING
16 TO SURETY BONDS FOR USED MOTOR VEHICLE
17 DEALERS."
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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 Annotated § 23-112-607(c) is amended to read
22 as follows:

23 "(c)(1) Each applicant shall obtain a corporate surety bond in the
24 penal sum of twenty-five thousand dollars (\$25,000) on a bond form approved by
25 the state; provided, that an applicant for a license at multiple locations may
26 provide a corporate surety bond in the penal sum of one hundred thousand
27 dollars (\$100,000) covering all licensed locations in lieu of separate bonds
28 for each individual location.

29 (2) The bond shall be an indemnity for any loss and reasonable
30 attorney's fees sustained by a retail buyer by reason of the acts of the
31 person bonded when such act constitutes a violation of this law.

32 (3) Provided, the surety shall in no event be liable for more
33 than twenty-five thousand dollars (\$25,000).

34 (4) The bond shall be executed in the name of the State of
35 Arkansas or any aggrieved party.

36 (5) The proceeds of the bonds shall be paid either to the State

1 of Arkansas or to the retail buyer upon a judgment from an Arkansas court of
2 competent jurisdiction against the principal and in favor of the aggrieved
3 party or the State of Arkansas.

4 (6) Provided, the surety shall in no event be required to pay any
5 judgment obtained by fraud or collusion, as between the dealer and the retail
6 buyer, or which was rendered against a person bonded for an act that does not
7 constitute a violation of this subchapter, which defenses may be raised at any
8 time, subject to applicable statute of limitations."

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

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14 SECTION 3. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.

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

22 /s/Roebuck

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24 APPROVED:3-20-97

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