

Stricken language would be deleted from and underlined language would be added to the law as it existed
prior to this session of the General Assembly.
Act 1175 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2753

5 By: Representative Overbey
6
7

For An Act To Be Entitled

9 AN ACT TO CLARIFY THE LAW REGARDING ISSUANCE OF
10 TITLE TO A CREDITOR REPOSSESSING A VEHICLE TO
11 PREVENT TITLE WASHING; AND FOR OTHER PURPOSES.
12

Subtitle

13 TO CLARIFY THE LAW REGARDING
14 REPOSSESSION TITLES TO MOTOR VEHICLES.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 27-14-907, regarding issuance of
21 repossession titles to motor vehicles, is amended to read as follows:

22 (a)(1) Whenever the title or interest of an owner in or to a
23 registered vehicle shall pass to another by a method other than voluntary
24 transfer, the registration of the vehicle shall expire, and the vehicle shall
25 not be operated upon public streets or highways for more than thirty (30)
26 days after the transfer date unless a valid registration plate is attached
27 thereto.

28 (2) In the event title has become vested in the person holding a
29 lien or encumbrance upon the vehicle, the person may apply to the office for,
30 and obtain, special plates as may be issued under this chapter to dealers and
31 may operate any repossessed vehicle under such special plates only for
32 purposes of transporting it to a garage or warehouse or for purposes of
33 demonstrating or selling it.

34 (b)(1) Upon any such transfer, the new owner may either secure a new
35 registration and certificate of title, upon proper application and upon



1 presentation of:

2 (A) ~~the~~ The last certificate of title, if available;

3 (B) Evidence that the lien or encumbrance was previously
4 recorded in the State of Arkansas or that the motor vehicle is physically
5 present in the State of Arkansas; and

6 (C) ~~such~~ Such instruments or documents of authority or
7 certified copies thereof, as may be sufficient or required by law to evidence
8 or effect a transfer of title or interest in or to chattels in such case,~~or~~
9 .

10 (2) ~~the~~ The new owner, upon transferring his or her title or
11 interest to another person, shall execute and acknowledge an assignment and
12 warranty of title upon the certificate of title previously issued, if
13 available, and deliver it, as well as the documents of authority or certified
14 copies thereof, as may be sufficient or required by law to evidence the
15 rights of such person, to the person to whom the transfer is made.

16 (c) The Commissioner of Motor Vehicles shall have the power to adopt
17 regulations or rules to establish what documents or evidence are required to
18 verify that a lien or encumbrance holder or his or her assignee has complied
19 with this section.

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21 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
22 General Assembly of the State of Arkansas that Act 165 of 2005 eliminating
23 the verification of vehicle identification numbers has inadvertently created
24 the possibility that out-of-state vehicles may be titled and registered in
25 the State of Arkansas without being present in the state or without the
26 security interest against the motor vehicle being recorded in Arkansas; and
27 that this act is immediately necessary to prevent citizens of the State of
28 Arkansas from being defrauded by out-of-state sellers of motor vehicles.
29 Therefore, an emergency is declared to exist and this act being immediately
30 necessary for the preservation of the public peace, health, and safety shall
31 become effective on:

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

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

36 (3) If the bill is vetoed by the

