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4

A Bill

HOUSE BILL 1782

5 By: Representative B. Overbey
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW REGARDING TEMPORARY
9 PREPRINTED PAPER BUYER'S TAGS FOR MOTOR VEHICLES; TO
10 DEFINE "DEALER"; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO AMEND THE LAW REGARDING TEMPORARY
15 PREPRINTED PAPER BUYER'S TAGS FOR MOTOR
16 VEHICLES; TO DEFINE "DEALER"; AND TO
17 DECLARE AN EMERGENCY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 27-14-1705 is amended to read as follows:
24 27-14-1705. Temporary ~~cardboard~~ preprinted paper buyer's tags.

25 (a)(1)(A) A person who buys a motor vehicle from a licensed dealer
26 shall be required to obtain one (1) temporary preprinted paper buyer's tag
27 for the vehicle and any correlating stickers that are to be placed on the
28 tag.

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

31 (2)(A) A person who buys a motor vehicle from a licensed dealer
32 ~~without the capability to~~ that cannot issue temporary preprinted paper
33 buyer's tags shall:

34 (i) Obtain the preprinted paper buyer's tag and
35 stickers within ~~five (5) business~~ ten (10) calendar days after the date of
36 purchase of the vehicle from an approved vendor or the ~~office~~ Office of Motor



1 Vehicle;

2 (ii) Provide to the vendor or the ~~office~~ Office of
3 Motor Vehicle a copy of the bill of sale or other documentation necessary to
4 verify the dealer's name, the buyer's name, the date of sale, the motor
5 vehicle's vehicle identification number, and the make and model of the
6 vehicle; and

7 (iii) Maintain a copy of the bill of sale for the
8 motor vehicle in the vehicle until ~~the time~~ the buyer obtains the preprinted
9 paper buyer's tag and stickers.

10 (B) A person who fails to obtain a preprinted paper
11 buyer's tag and stickers within ~~five (5) business~~ ten (10) calendar days of
12 the date of purchase of the vehicle ~~shall be~~ is subject to the fines in this
13 section.

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

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

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

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

23 (B)(i) If the dealer ~~lacked the capability to~~ cannot issue
24 preprinted paper buyer's tags, the transferee may obtain a temporary
25 preprinted paper buyer's tag from the ~~office~~ Office of Motor Vehicle.

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

28 (c)(1)(A) The following information shall be printed by the dealer,
29 the vendor, or the ~~office~~ Office of Motor Vehicle on the face of the
30 temporary preprinted paper buyer's tags:

31 (i) The actual date of sale;

32 (ii) The date of expiration;

33 (iii) The vehicle year, make, and model;

34 (iv) The vehicle identification number;

35 (v) The name of the issuing dealer; and

36 (vi) Other information required by the ~~office~~ Office

1 of Motor Vehicle.

2 (B) The expiration date of the preprinted paper buyer's
3 tag shall be shown in ink on the preprinted paper buyer's tag in a place to
4 be determined by the ~~office~~ Office of Motor Vehicle, and the date shall be
5 covered by a sticker for added security.

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

10 (d)(1)(A) The temporary preprinted paper buyer's tag issued under this
11 section shall be placed ~~on the inside rear window of the vehicle.~~

12 ~~(B) For vehicles without a rear window, the preprinted~~
13 ~~paper buyer's tag shall be placed~~ at the location provided for the permanent
14 motor vehicle license plate.

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

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

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

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

25 (D) A dealer who issues a temporary preprinted paper
26 buyer's tag shall insert the tag in the translucent material and attach the
27 tag to each vehicle the dealer sells.

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

34 (3) The replacement preprinted paper buyer's tag shall expire on
35 the expiration date of the original preprinted paper buyer's tag.

36 (e) The Director of the Department of Finance and Administration shall

1 provide the specifications, form, and color of the temporary preprinted paper
2 buyer's tag.

3 (f)(1)(A) The buyer shall be responsible for paying to the director a
4 fee to be set by the director, which shall not exceed ~~one dollar (\$1.00)~~ two
5 dollars and fifty cents (\$2.50), for each temporary preprinted paper buyer's
6 tag and any correlating stickers the buyer receives.

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

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

16 (3) All fees collected by the director under this section shall
17 be deposited into the State Treasury, and the Treasurer of State shall credit
18 them as general revenues to the General Revenue Fund Account of the State
19 Apportionment Fund.

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

22 (A) The dealer's name and master license plate number;

23 (B) The buyer's name;

24 (C) The date the temporary preprinted paper buyer's tag
25 was issued;

26 (D) The vehicle's vehicle identification number;

27 (E) The make and model of the vehicle; and

28 (F) The expiration date of the temporary preprinted paper
29 buyer's tag.

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

34 (h)(1) Any dealer or approved vendor, or any manager, salesperson, or
35 employee of the dealer or vendor, who pleads guilty or nolo contendere to or
36 is found guilty of the misuse of a temporary preprinted paper buyer's tag or

1 of allowing anyone else to misuse a temporary preprinted paper buyer's tag
 2 shall be fined not more than:

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

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

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

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

12 ~~(2)(3)~~ A buyer who pleads guilty or nolo contendere to or is
 13 found guilty of ~~failing to obtain a temporary preprinted paper buyer's tag,~~
 14 ~~altering a preprinted paper buyer's tag, or failing to display the fraudulent~~
 15 ~~use of a preprinted paper buyer's tag within five (5) business days of the~~
 16 ~~date of purchase of a motor vehicle~~ shall be fined not more than:

17 (A) Two hundred fifty dollars (\$250) for the first
 18 offense;

19 (B) Five hundred dollars (\$500) for the second offense;
 20 and

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

23 (i) This section ~~shall~~ does not apply to an owner or lessee of a
 24 registered motor vehicle who elects to display a license plate on a
 25 replacement motor vehicle under § 27-14-902(a)(3)(B).
 26

27 SECTION 2. Arkansas Code § 27-14-1706(b)(1)(B), regarding vehicles
 28 provided for purposes of demonstration or for repair customers, is amended to
 29 read as follows:

30 (B)(i) A licensed dealer who issues a temporary preprinted
 31 paper buyer's tag to a prospective buyer or customer shall place the
 32 preprinted paper tag ~~in the rear window of the vehicle,~~

33 ~~(ii) If the vehicle does not have a rear window, the~~
 34 ~~preprinted paper tag shall be placed~~ at the location provided for the
 35 permanent motor vehicle license plate.

36 ~~(iii)~~ (ii) If a preprinted paper tag placed at the

1 location provided for the permanent motor vehicle license plate becomes
 2 damaged or destroyed, the original dealer may issue a replacement preprinted
 3 paper tag that shall expire on the expiration date of the original buyer's
 4 tag.

5
 6 SECTION 3. Arkansas Code § 27-14-1706(d)(2), regarding vehicles
 7 provided for purposes of demonstration or for repair customers, is amended to
 8 read as follows:

9 (2) ~~A dealer may, at the dealer's option, provide a prospective~~
 10 ~~buyer or customer as described in this subsection with a test drive or loaner~~
 11 ~~information sheet for purposes of verifying that the vehicle is being driven~~
 12 ~~with the permission of the dealer~~ A dealer may issue temporary preprinted
 13 paper buyer's tags or use a dealer information sheet for the following
 14 purposes:

15 (A) To demonstrate or allow a prospective buyer to test
 16 drive a vehicle for a period not to exceed seventy-two (72) hours;

17 (B) For a loaner vehicle for a customer while the
 18 customer's vehicle is being repaired at the dealer's shop for a period not to
 19 exceed fourteen (14) calendar days;

20 (C) For transporting a vehicle not to exceed seventy-two
 21 (72) hours; or

22 (D) To test drive a vehicle to check its mechanical
 23 condition for a period not to exceed seventy-two (72) hours.

24
 25 SECTION 4. Arkansas Code Title 27, Chapter 14, Subchapter 17 is
 26 amended to add an additional section to read as follows:

27 27-14-1709. Definition.

28 As used in this subchapter, "dealer" means a new motor vehicle dealer
 29 licensed under § 23-112-301 or a used motor vehicle dealer licensed under §
 30 23-112-607 that is engaged in the sale of:

31 (1) New motor vehicles;

32 (2) Used motor vehicles;

33 (3) Motorcycles or motor-driven cycles as defined under § 27-20-
 34 101; or

35 (4) Motor homes.

36

1 SECTION 5. NOT TO BE CODIFIED. (a) The Revenue Division of the
2 Department of Finance and Administration may enter into or make agreements,
3 arrangements, or declarations necessary to carry out the provisions of this
4 act.

5 (b) The Department of Finance and Administration may compensate the
6 contractor who will provide for the administration and security provisions of
7 the preprinted paper buyer's tag under this act in an amount to be agreed
8 upon between the department and the contractor, not to exceed two dollars and
9 fifty cents (\$2.50) per tag.

10 (c) The Department of Finance and Administration may promulgate rules
11 and forms for the administration of this act.

12
13 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
14 General Assembly of the State of Arkansas that the changes in this act are
15 necessary regarding the placement of temporary buyer's tags to provide for
16 better law enforcement; that clarification is necessary to include motorcycle
17 dealers, motor-driven cycle dealers, and motor home dealers under the
18 definition of dealer; and that this act is necessary to ensure that motor
19 vehicles on the roads are properly tagged after purchase. Therefore, an
20 emergency is declared to exist and this act being necessary for the
21 preservation of the public peace, health, and safety shall become effective
22 on July 1, 2011.