

Department of Finance and Administration

Legislative Impact Statement

Bill: SB596

Bill Subtitle: TO AMEND THE PERMANENT AUTOMOBILE LICENSING ACT OF 1967.

Basic Change :

Sponsor: Sen. Hammer

Under current law, § 27-14-1011, motor vehicle registrations are valid for one year and shall continue from year to year thereafter as long as renewed each year within the time required by law. SB596 adds an additional section, § 27-14-1022, to require motor vehicle owners to provide a written statement and surrender the license plates and current registration certificate if the vehicle will not be operated on public streets, roads or highways.

Revenue Impact :

Possible unknown decrease in registration fees collected.

Taxpayer Impact :

Motor vehicle owners will provide a written statement and surrender the license plates and current registration certificate if the vehicle will not be operated on public streets, roads or highways.

Resources Required :

No additional resources required.

Time Required :

Adequate time has been provided.

Procedural Changes :

Update Motor Vehicle Manual and distribute to State Revenue Offices.

Other Comments :

None.

Legal Analysis :

This bill clarifies Arkansas law to require payment of the annual registration fee regardless of whether the owner operates the motor vehicle on the public streets, roads, or highways unless the owner:

- Provides a written statement that the vehicle is not used during the registration period;
- Surrenders the license plate previously issued; and
- Surrenders the current registration certificate issued to the motor vehicle to the Director of the Department of Finance and Administration.

An owner who is not required to pay the annual motor vehicle registration fee may: (1) apply for a new

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motor vehicle registration certificate as provided under §§ 27-14-602 and 27-14-705; and (2) operate the motor vehicle on public streets, roads, and highways of this state upon receipt of the new motor vehicle registration certificate.

There is a clerical error in Section 2 which refers to § 24-14-1022(a)(2) when it should refer to § 27-14-1022(a)(2).

Section 2 is not to be codified and requires the Department of Finance and Administration to provide an amnesty period to allow owners until January 1, 2020, to comply with § 27-14-1022(a)(2) provisions.