

INTERIM STUDY PROPOSAL 2013-124

State of Arkansas

*As Engrossed: H4/2/13 H4/5/13*

89th General Assembly

**A Bill**

Regular Session, 2013

HOUSE BILL 2205

By: Representative Payton

Filed with: Interim House Committee on Public Transportation  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO AMEND THE UNIFORM MOTOR VEHICLE  
ADMINISTRATION, CERTIFICATE OF TITLE, AND ANTITHEFT  
ACT, ARKANSAS CODE § 27-14-101 ET SEQ.; AND FOR OTHER  
PURPOSES.

**Subtitle**

TO AMEND THE UNIFORM MOTOR VEHICLE  
ADMINISTRATION, CERTIFICATE OF TITLE, AND  
ANTITHEFT ACT, ARKANSAS CODE § 27-14-101  
ET SEQ.

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

*SECTION 1. Arkansas Code § 27-14-2301(6) and (7), concerning the  
definitions used in disclosure of damage and repair on a certificate of  
title, is amended to read as follows:*

*(6)(A) "Salvage vehicle" means a motor vehicle that is:*

*~~(A)(i) Water-damaged~~ Is water-damaged; or*

*~~(B)(ii) Sustains any other~~ Has sustained damage in*

*~~an amount equal to or exceeding totaling at least four thousand dollars~~  
~~(\$4,000) and at least seventy percent (70%) of its average retail value as~~  
~~determined under criteria established by rule of the Office of Motor Vehicle~~  
listed in the current southwestern regional NADA Official Used Car Guide.*

*~~(B) A motor vehicle that has damage of at least one~~  
hundred twenty percent (120%) of its average retail value as listed in the*

1 current southwestern regional NADA Official Used Car Guide is considered a  
2 parts-only salvage vehicle for tax purposes; and

3 (7) ~~“Water-damaged” means damage to a motor vehicle caused by~~  
4 ~~submerging or partially submerging the vehicle in water to the extent that~~  
5 ~~the vehicle was submerged or partially submerged at any water level above the~~  
6 ~~dashboard of the vehicle, regardless of the actual dollar amount of the~~  
7 ~~damage a motor vehicle damaged by water that:~~

8 (A) Saturated or contaminated an electronic or electrical  
9 system necessary for the safe and reliable operation of the motor vehicle; or

10 (B) Rose to the point that it covered the sill and entered  
11 the passenger compartment.

12  
13 SECTION 2. Arkansas Code § 27-14-2302(a)(3), concerning the issuance  
14 of a damage or salvage certificate of title, is amended to read as follows:

15 (3) ~~If a person other than an insurer owns a~~ The owner of a  
16 salvage vehicle for which a salvage vehicle title has not been issued, the  
17 owner shall may:

18 (A) surrender the certificate of title for the salvage  
19 vehicle to the office within thirty (30) days following the date that the  
20 motor vehicle became a salvage vehicle Assign the certificate of title to a  
21 person licensed under § 27-14-2001 if that person surrenders the certificate  
22 of title for the salvage vehicle to the office within thirty (30) days after  
23 assignment of the salvage vehicle and obtains a salvage vehicle title under  
24 this section; or

25 (B) Retain the salvage vehicle if the owner:

26 (i) Surrenders the certificate of title for the  
27 salvage vehicle to the office within thirty (30) days after the date that the  
28 motor vehicle became a salvage vehicle; and

29 (ii) Obtains a salvage vehicle title under this  
30 section.

31  
32 SECTION 3. Arkansas Code § 27-14-2302(g)(1), concerning the issuance  
33 of a damage or salvage certificate of title, is amended to read as follows:

34 (g)(1) If an insurer has the responsibility under this subchapter to  
35 surrender the certificate of title on a salvage vehicle for which it has  
36 taken title or to notify the office that a motor vehicle is a salvage

1 vehicle, prior salvage vehicle, or "parts only" vehicle, the insurer or a  
2 person licensed under § 27-14-2001 may delegate its responsibility to  
3 surrender the certificate of title or to notify the office to:

4 (A) a A servicing organization; or

5 (B) ~~to~~ a A buyer of the salvage vehicle from the insurer  
6 if the buyer is licensed under § 27-14-2001 as a dealer or wrecker.

7  
8 SECTION 4 Arkansas Code § 27-14-2302(h)(2), concerning the issuance of  
9 a damage or salvage certificate of title, is repealed.

10 ~~(2) An owner under this subsection may be an insurer that owns~~  
11 ~~the salvage vehicle.~~

12  
13 SECTION 5. Arkansas Code § 27-14-2302, concerning the issuance of a  
14 damage or salvage certificate of title, is amended to add an additional  
15 subsection to read as follows:

16 (i) An owner under this section includes an insurer that owns the  
17 salvage vehicle.

18  
19 SECTION 6. Arkansas Code § 27-14-2305, concerning the applicability of  
20 Subchapter 23 for the disclosure of damage and repair on a certificate of  
21 title to motor vehicles, is amended to read as follows:

22 27-14-2305. Applicability of subchapter.

23 ~~(a) The provisions of this subchapter shall not apply to motor~~  
24 ~~vehicles more than seven (7) model years old prior to the calendar year of~~  
25 ~~the occurrence.~~

26 ~~(b) Any A title that is branded pursuant to under this subchapter~~  
27 ~~shall retain the brand on the title for the life of the vehicle.~~

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29  
30 /s/Payton

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33 Referred by the Arkansas House of Representatives

34 Prepared by: GAR/VJF