

State of Arkansas
77th General Assembly
Regular Session, 1989
By: Representative McJunkin

HOUSE BILL 1280

"AN ACT TO AMEND ARKANSAS CODE OF 1987 ANNOTATED SECTIONS 27-14-904 AND 27-14-906, AND TO REPEAL SECTION 27-14-905 TO CLARIFY THE PROCEDURE OF REGISTRATION AND LICENSING OF MOTOR VEHICLES; TO AMEND ARKANSAS CODE OF 1987 ANNOTATED SECTION 27-14-802 (a) TO ELIMINATE THE REQUIREMENT OF A CERTIFICATE OF A NOTARY PUBLIC ATTESTING TO THE AUTHENTICITY OF AN INSTRUMENT CREATING A LIEN ON A MOTOR VEHICLE; TO AMEND ARKANSAS CODE OF 1987 ANNOTATED SECTION 27-14-901 TO CLASSIFY AS A MISDEMEANOR THE ACT OF TRANSFERRING OR CONVEYING OWNERSHIP OF A MOTOR VEHICLE WITHOUT DISCLOSING THE TRANSFEREE'S NAME ON THE CERTIFICATE OF TITLE; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 27-14-906 of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) The Commissioner is authorized to permit motor vehicle dealers to make applications for registration and certificates of title and to furnish them to the office in behalf of the purchaser of a new or used motor vehicle acquired from a dealer.

(b) The Commissioner shall promulgate reasonable rules and regulations to be complied with by motor vehicle dealers in making application for registration and certificates of title on behalf of purchasers of new or used motor vehicles from a dealer and may, if he deems it necessary, require the dealer to post bond to ensure faithful compliance with such rules and regulations.

(c) (1) Any motor vehicle dealer who has been authorized by the Commissioner to prepare applications for registration and certificates of

title with respect to new or used motor vehicles sold by a dealer shall transmit them to the Commissioner and shall attach thereto a copy of any conditional sales contract, conditional lease, chattel mortgage, or other lien or encumbrance or title retention instrument upon the motor vehicle.

(2) Upon receipt thereof, the Commissioner shall file a lien and encumbrance, as provided in §27-14-801 et seq., which shall, from the date of filing, be notice of the lien or encumbrance.

(d) On issuing the registration and certificate of title, the Commissioner shall mail the registration to the owner and the title to the lienholder, or to the owner if no lien exists."

SECTION 2. Section 27-14-904 of the Arkansas Code of 1987 Annotated is amended to read as follows:

"When the transferee of a vehicle is a dealer who holds it for resale and lawfully operates it under dealers' number plates or does not drive the vehicle or permit it to be driven upon the highways, the dealer shall not be required to obtain a new registration for the vehicle or be required to forward the certificate of title to the Office of Motor Vehicle, but the dealer, upon transferring his title or interest to another person, shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver it to the person to whom the transfer is made."

SECTION 3. Section 27-14-905 of the Arkansas Code of 1987 Annotated is repealed.

SECTION 4. Section 27-14-802(a) of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) There shall be deposited with the office a copy of the instrument creating and evidencing a lien or encumbrance, which instrument is to be executed in the manner required by the laws of this state and accompanied by the certificate of title last issued for the vehicle."

SECTION 5. Section 27-14-901 of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) It shall be a misdemeanor for any person to fail or neglect to

enter the transferee name on a properly endorsed certificate of title, or fail or neglect to properly endorse and deliver a certificate of title to a transferee or owner lawfully entitled thereto.

(b) It shall be a misdemeanor for any person to possess an executed certificate of title without the name of the transferee appearing thereon.

(c) Any person found to be in possession of a vehicle with an improperly assigned title which fails to identify the transferee must immediately establish ownership of the vehicle, register the vehicle and pay the requisite fees, taxes, and penalties."

SECTION 6. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 7. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.