

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1407

By: Representative Mitchell

For An Act To Be Entitled

AN ACT TO ESTABLISH "THE ARKANSAS MOTOR VEHICLE SALVAGE TITLE LAW; TO REQUIRE THE CERTIFICATES OF TITLE FOR CERTAIN MOTOR VEHICLES TO BE MARKED "INSURANCE CLAIMS" AND "INSURANCE LOSS"; TO DEFINE "MOTOR VEHICLE THEFT FACILITY" AND PROHIBIT THE OPERATION OF MOTOR VEHICLE THEFT FACILITY; TO PROVIDE FOR THE FORFEITURE OF STOLEN MOTOR VEHICLES, PARTS, AND TOOLS FOUND AT A MOTOR VEHICLE THEFT FACILITY; TO PRESCRIBE THE PENALTIES FOR VIOLATIONS; AND FOR OTHER PURPOSES."

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

SECTION 1. This act shall be known and cited as the Arkansas Motor Vehicle Salvage Title Law.

SECTION 2. Definitions. For purposes of this act, unless the context otherwise requires:

- (1) "Component" means any part of motor vehicle.
- (2) "Major component" means any of the following:
 - (A) cowl assembly (firewall to front of rocker);
 - (B) rear clip (with or without top section);
 - (C) front cap (cowl forward);
 - (D) motor;
 - (E) frame;
 - (F) truck cab; or
 - (G) any four minor components;
 - (H) however, any water damage shall be deemed two major components.
- (3) "Minor component" means any of the following:
 - (A) door assembly;

- (B) front fender assembly;
- (C) quarter panel assembly;
- (D) transmission;
- (E) hood;
- (F) front panel assembly;
- (G) clip cab assembly;
- (H) bed assembly (truck); or
- (I) frame section.

(4) "Motor vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway which is self-propelled or which may be connected to and towed by a self-propelled device, and also includes any and all other land based devices which are self-propelled but which are not designed for use upon a highway, including but not limited to farm machinery, bulldozers, and steam shovels.

(5) "Motor vehicle theft facility" means any area, building, storage lot, field, and any other premises or place where one or more persons are engaged in altering, dismantling, reassembling or in any way concealing or disguising the identity of a stolen motor vehicle; or any area, building, storage lot, field, or any other premises or place where there are three or more stolen motor vehicles present or where there are major component parts from three (3) or more stolen vehicles present.

(6) "Office of Motor Vehicles" means the Office of Motor Vehicles of the Revenue Division of the Department of Finance and Administration.

(7) "Owner" means an individual, insurance company or other entity with legal title to vehicle.

SECTION 3. When any motor vehicle registered, or eligible to be registered or licensed, for use on the public highways is so damaged as to require replacement of three (3) or more major components, such vehicle is hereby declared to be an "Insurance Claim." The owner of any such motor vehicle, whether an individual, a corporation or other entity, including insurance companies, shall within thirty (30) days send the certificate of title to the vehicle to the Office of Motor Vehicles together with a fee in the amount now or hereafter prescribed by law for the registration and issuance of a certificate of title. Upon receipt of such title, the Office of Motor Vehicles shall issue a new certificate of title for the vehicle with the words

"Insurance Claim" printed in the "Remarks Section" of the title. Upon receipt of such title, the owner may assign the title to a new owner but such motor vehicle shall not be operated on the public streets or highways of this state.

SECTION 4. When any motor vehicle is issued an "Insurance Claim" title and is rebuilt or restored with less than three major components, the owner may make application to the Office of Motor Vehicles for the registration and issuance of a new title to the vehicle. The application shall be accompanied by the "Insurance Claim" title issued for the vehicle, a certificate of safety inspection, a fee in the amount now or hereafter prescribed by law for registration and issuance of a certificate of title, and a affidavit executed by the rebuilder or restorer on a form prescribed by the Office of Motor Vehicles. The "Insurance Claim" title and the affidavit shall be maintained as part of the permanent record for that motor vehicle's title. Upon receipt of the application and the accompanying material, the Office of Motor Vehicles shall issue a new, regular Arkansas certificate of title.

SECTION 5. When any motor vehicle is issued an "Insurance Claim" title and is rebuilt or restored with three (3) or more major components, the owner may make application to the Office of Motor Vehicles for the registration and issuance of a new title to the vehicle. The application shall be accompanied by the "Insurance Claim" title issued for the vehicle, a certificate of safety inspection, a fee in the amount now or hereafter prescribed by law for registration and issuance of a certificate of title, and an affidavit executed by the rebuilder or restorer on a form prescribed by the Office of Motor Vehicles. The "Insurance Claim" title and the affidavit shall be maintained as part of the permanent record for that motor vehicle's title. Upon receipt of the application and the accompanying material, the Office of Motor Vehicles shall issue a new certificate of title for the vehicle. The new certificate of title and each title hereafter issued for the motor vehicle shall have printed in the "Remarks Section" on the face of the certificate of title the words "Insurance Loss."

SECTION 6. Any motor vehicle which has been damaged, but which can be repaired or restored with replacement of fewer than three (3) major components shall be considered a repairable car and shall be issued a regular Arkansas

certificate of title.

SECTION 7. Any motor vehicle which has been titled or registered in another state as a salvage vehicle and which is transferred to Arkansas shall be issued an Arkansas certificate of title marked "Insurance Loss" in the "Remarks Section" on the face of the certificate of title. Each title thereafter issued for said motor vehicle shall have the words "Insurance Loss" printed in the "Remarks Section" on the face of the certificate of title.

SECTION 8. Any person falsifying an affidavit required by this Act or otherwise violating the provisions of this Act shall upon conviction for a first offense be guilty of a Class B misdemeanor, upon a conviction of a second offense shall be guilty of a Class A misdemeanor and upon conviction of a third or subsequent offense be guilty of a Class C felony.

SECTION 9. Any person who shall knowingly own, operate or conduct a motor vehicle theft facility or who knowingly aids and abets another person in owning, operating or conducting a motor vehicle theft facility shall be guilty of a Class C felony and shall be punishable as required by law.

SECTION 10. Any stolen motor vehicle, engine, tool, machine, implement, device, chemical, or substance used or designed for altering, dismantling, reassembling or in any other way concealing or disguising the identity of a stolen motor vehicle or any major or minor component part found on the premises of the motor vehicle theft facility shall be subject to forfeiture upon order of the court issued after proper hearing, notification of lienholders and upon such other conditions and in such manner as may be prescribed by the court.

SECTION 11. All proceeds from the sale of items forfeited under the provisions of Section 9 shall be distributed as follows: fifty percent (50%) thereof shall be deposited in the treasury of the county in which the motor vehicle theft facility was located and credited to the fund out of which the office of the prosecuting attorney and deputy prosecuting attorney is funded, and fifty percent (50%) thereof shall be special revenues and shall be deposited in the State Treasury to the credit of the Arkansas State Police

Fund or its successor fund out of which the operations of the Arkansas State Police are funded.

SECTION 12. (a) Any premises of a rebuilder, salvage yard, motor vehicle dealer, or motor vehicle reconditioner who is licensed under the Arkansas Motor Vehicle Commission Act, Arkansas Code §23-112-101 et seq., and all their records which pertain to salvage vehicles, junk vehicles, new vehicles, rebuilt vehicles or the parts of a vehicle shall be available for inspection by an agent or employee of the Arkansas State Police, Arkansas Motor Vehicle Commission, or any law enforcement officer during normal business hours.

(b) Failure or refusal to allow inspection or interference with inspection thereof by an agent or employee of the Arkansas State Police or Arkansas Motor Vehicle Commission or any law enforcement officer shall be a Class A misdemeanor.

SECTION 13. 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.

SECTION 14. All laws and parts of laws in conflict with this act are hereby repealed.

