

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Gilbert**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO ESTABLISH 'THE ARKANSAS MOTOR VEHICLE SALVAGE
9 TITLE LAW'; TO REQUIRE THE CERTIFICATES OF TITLE FOR MOTOR
10 VEHICLES WRECKED OR DAMAGED TO BE BRANDED OR DESIGNATED
11 'DAMAGED', 'WATER DAMAGED', AND 'RECONSTRUCTED'; TO
12 REQUIRE ARKANSAS MOTOR VEHICLES THAT ARE RECONSTRUCTED TO
13 BE INSPECTED TO CERTIFY THEIR IDENTITY; TO REQUIRE
14 ARKANSAS MOTOR VEHICLE TITLE CERTIFICATES TO CARRY THE
15 SAME OR SIMILAR CLASSIFICATION AS A SALVAGE,
16 RECONSTRUCTED, OR REBUILT TITLE CERTIFICATES FROM ANOTHER
17 STATE UPON REISSUANCE OF THE TITLE IN ARKANSAS; TO
18 PRESCRIBE THE PENALTIES FOR VIOLATIONS; AND FOR OTHER
19 PURPOSES."

20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. This act shall be known and cited as the "Arkansas Motor
24 Vehicle Salvage Title Law."

25
26 SECTION 2. Definitions. For purposes of this act, unless the context
27 otherwise requires:

28 (1) "Component" means any part of a motor vehicle.

29 (2) "Front-end assembly" means all of the following: hood, fenders,
30 bumper, radiator supports, and the supporting members for such items. In the
31 case of a unitized body, the front-end assembly includes the frame support
32 members.

33 (3) "Major component" means any of the following:

34 (A) cowl or firewall;

35 (B) front end assembly;

1 (C) rear clip;
2 (D) roof panel;
3 (E) frame or in the case of a unitized body, the supporting
4 structure which serves as the frame; and
5 (F) any combination of five (5) minor components shall be deemed
6 as one (1) major component.

7 (4) "Minor component" means any of the following:

8 (A) each door;
9 (B) each fender or quarter panel;
10 (C) deck lid or hatchback;
11 (D) each bumper;
12 (E) both T-tops;
13 (F) motor or engine;
14 (G) transmission or transaxle; and
15 (H) interior.

16 (5) "Motor vehicle" means every device in, upon, or by which any person
17 or property is or may be transported upon a highway which is self-propelled,
18 except motorcycles, motor-driven cycles, and trucks with a gross weight rating
19 of 10,000 pounds or more.

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

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

25 (8) "Rear clip" means all the following: quarter panels, trunk lid,
26 floor pan and the supporting members of such item.

27 (9) "Reconstructed vehicle" means every motor vehicle of a type
28 required to be registered materially altered from its original construction by
29 the removal, replacement, addition, or substitution of those component parts,
30 either new or used, qualifying it as a "Damaged" vehicle so as to restore or
31 repair the vehicle;

32 (10) "Salt water damage" means the damage to a motor vehicle caused by
33 ocean or tidal flooding or any other exposure of the vehicle to salt water
34 sufficient to require any amount or level of repair, restoration, or
35 rehabilitation to the motor vehicle.

1 (11) "Water damage" means damage to a motor vehicle caused by the
 2 submerging or partially submerging of the vehicle in fresh water to the extent
 3 that damage to the body, motor, transmission, or differential exceeds seventy
 4 percent (70%) of the current market value of the vehicle as found in the NADA
 5 Pricing Guide Book or other source approved by the Office of Motor Vehicles.

6

7 SECTION 3. (a) When any motor vehicle registered for use on the public
 8 highways of Arkansas is wrecked or damaged so as to require the replacement
 9 of:

10 (1) more than one (1) major component and three (3) minor
 11 components;

12 (2) more than eight (8) minor components;

13 (3) two (2) or more major components;

14 (4) the cowl or firewall; or

15 (5) both the front end assembly and rear clip;

16 the owner of any such motor vehicle, whether an individual, a corporation or
 17 other entity, including insurance companies, shall within ninety (90) days
 18 send the certificate of title to the vehicle to the Office of Motor Vehicles
 19 together with a fee in the amount now or hereafter prescribed by law for the
 20 registration and issuance of a certificate of title.

21 (b) Upon receipt of such title, there shall be issued a new certificate
 22 of title with the brand or designation affixed to it. The brand or
 23 designation shall have the words "Damaged" printed on the title.

24 (c) In the event a motor vehicle suffers water damage or salt water
 25 damage, as defined in this act, the owner of the motor vehicle shall obtain a
 26 new certificate of title with the words "Water Damaged" printed on it.
 27 Thereafter, any motor vehicle receiving a new title as a result of water
 28 damage or salt water damage shall not be issued a subsequent certificate of
 29 title unless branded as "Water Damaged".

30

31 SECTION 4. When any motor vehicle is issued a "Damaged" title and is
 32 reconstructed, the owner may make application to the Office of Motor Vehicles
 33 for the registration and issuance of a new title to the vehicle. The
 34 application shall be accompanied by the "Damaged" title issued for the
 35 vehicle, a State Police inspection form required by this act, a fee in the

1 amount now or hereafter prescribed by law for registration and issuance of a
2 certificate of title, and an affidavit executed by the rebuilder or restorer
3 on a form prescribed by the Office of Motor Vehicles. The "Damaged" title and
4 the affidavit shall be maintained as part of the permanent record for that
5 motor vehicle's title. Upon receipt of the application and the accompanying
6 material, the Office of Motor Vehicles shall issue a new certificate of title
7 branded as "Reconstructed".

8

9 SECTION 5. (a) The Arkansas State Police shall establish at each troop
10 headquarters vehicle inspection facilities and shall designate a qualified
11 individual to perform inspections on motor vehicles which have been
12 reconstructed or restored. Any motor vehicle with a "Damaged" title that is
13 reconstructed or restored shall be inspected by the designated inspector of
14 the Arkansas State Police to certify the identity of the vehicle. The
15 inspection shall include bills of sale, identification of source of parts
16 used, and an affidavit by the applicant that the vehicle has been repaired in
17 accordance with manufacturer's requirements.

18 (b) The owners of such vehicles shall be assessed an inspection fee,
19 not to exceed twenty-five dollars (\$25.00) for the inspection as determined by
20 the Director of the Arkansas State Police by regulation. The Arkansas State
21 Police shall notify the Office of Motor Vehicles of the results of such
22 inspections on forms supplied by the Office of Motor Vehicles and they shall
23 be maintained as part of the permanent record for that motor vehicle's title.

24 (c) Inspection by the Arkansas State Police and its designated
25 inspectors shall not be construed to warrant the general safety of any motor
26 vehicle reconstructed or restored and inspected under this program.

27

28 SECTION 6. (a) The provisions of this act shall not apply to any motor
29 vehicle which was built or manufactured ten (10) or more years prior to the
30 current date.

31 (b) The provisions of this act shall apply equally to vehicles damaged
32 or reconstructed out-of-state and sought to be titled in Arkansas. An
33 Arkansas motor vehicle certificate of title issued from an out-of-state motor
34 vehicle title certificate or comparable ownership document which carries a
35 brand or similar designation such as "damaged", "salvaged", "reconstructed",

1 "rebuilt", "repaired", "water damaged", or other similar classification shall
2 carry the same or similar classification as shown on the out-of-state title.

3

4 SECTION 7. Any person who pleads guilty, nolo contendere, or who is
5 found guilty of failing to retitle a motor vehicle which was so damaged as to
6 be required by this act within ninety (90) days shall be guilty of a Class C
7 misdemeanor and may be punished as permitted by law.

8

9 SECTION 8. Any person who pleads guilty, nolo contendere, or who is
10 found guilty of falsifying an affidavit required by this act shall upon
11 conviction for a first offense be guilty of a Class B misdemeanor, upon a
12 conviction of a second offense shall be guilty of a Class A misdemeanor and
13 upon conviction of a third or subsequent offense be guilty of a Class D
14 felony.

15

16 SECTION 9. All proceeds from the inspection fees levied by the Arkansas
17 State Police under Section 5 of this act shall be special revenues and shall
18 be deposited into the State Treasury to the credit of the Arkansas State
19 Police Fund or its successor fund out of which the operations of the Arkansas
20 State Police are funded.

21

22 SECTION 10. All provisions of this act of a general and permanent
23 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
24 Code Revision Commission shall incorporate the same in the Code.

25

26 SECTION 11. If any provisions of this act or the application thereof to
27 any person or circumstance is held invalid, the invalidity shall not affect
28 other provisions or applications of the act which can be given effect without
29 the invalid provisions or application, and to this end the provisions of this
30 act are declared to be severable.

31

32 SECTION 12. All laws and parts of laws in conflict with this act are
33 hereby repealed.

34

35

1
2
3
4