

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Owen Miller**

# **A Bill**

**HOUSE BILL 1306**

## **For An Act To Be Entitled**

8 "AN ACT TO ESTABLISH \_THE ARKANSAS DAMAGED MOTOR VEHICLE  
9 TITLE ACT\_; TO REQUIRE THE CERTIFICATE OF TITLE FOR  
10 CERTAIN MOTOR VEHICLES TO BE MARKED \_DAMAGE HISTORY\_; AND  
11 FOR OTHER PURPOSES."

## **Subtitle**

14 "AN ACT TO REQUIRE THE CERTIFICATE OF TITLE FOR CERTAIN  
15 MOTOR VEHICLES TO BE MARKED WITH \_DAMAGE HISTORY\_."

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

19 SECTION 1. This act shall be known and cited as the "Arkansas Damaged  
20 Motor Vehicle Title Act".

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

24 (1) "Motor Vehicle" means every self-propelled vehicle manufactured  
25 within the last five (5) years, except motorcycles, motor-driven cycles, and  
26 trucks subject to registration in Arkansas as a Class 2 or larger truck, by  
27 which any person or property is or may be transported upon a street or  
28 highway.

29 (2) "Office of Motor Vehicle" means the Office of Motor Vehicles of the  
30 Revenue Division of the Department of Finance and Administration.

31 (3) "Owner" means an individual, insurance company or other entity with  
32 legal title to the motor vehicle.

33 (4) "Person" means an individual, firm, partnership, incorporated and  
34 unincorporated association, or any other entity.

35 (5) "Retail Value" means the retail market price of the motor vehicle

1 as established by a published price guide approved by the Office of Motor  
2 Vehicles.

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4 SECTION 3. (a) When an insurance company takes ownership of a motor  
5 vehicle as a result of an insurance claim and the vehicle was damaged to the  
6 extent of seventy percent (70%) or more of the retail value of the vehicle,  
7 the insurance company shall apply for a new certificate of title to be issued  
8 in the insurance company\_s name with the words "Damage History" noted in the  
9 "Remarks Section" of the certificate of title.

10 (b) If the owner of the vehicle damaged to the extent of seventy  
11 percent (70%) or more of the retail value of the vehicle retains ownership of  
12 the vehicle, however, this Act shall apply to said owner and it is the owner\_s  
13 responsibility to comply with this Act.

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15 SECTION 4. When an insurance company takes ownership of a motor vehicle  
16 and the vehicle was damaged to the extent of less than seventy percent (70%)  
17 of the retail value of the vehicle, the insurance company shall not be  
18 required to have any remarks entered on the regular certificate of title.

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20 SECTION 5. (a) When any motor vehicle with an out-of-state certificate  
21 of title or comparable ownership document has been damaged to the extent of  
22 seventy percent (70%) or more of the retail value of the vehicle and it is  
23 rebuilt or reconstructed in Arkansas and it is sought to be issued an Arkansas  
24 certificate of title, the Arkansas certificate of title shall contain the  
25 words "Damage History" in the "Remarks Section" of the title.

26 (b) If any motor vehicle with an *out-of-state* certificate of title or  
27 comparable ownership document which carries a brand or similar designation  
28 such as "damaged", "salvaged", "reconstructed", "rebuilt", "repaired", "water  
29 damaged", or other similar classification and the vehicle is to be titled  
30 only, or rebuilt and titled, in Arkansas, the Arkansas certificate of title  
31 shall contain the words "Damage History" in the "Remarks Section" of the  
32 title.

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34 SECTION 6. (a) When any motor vehicle with an out-of-state certificate  
35 of title or comparable ownership document *does not carry a brand or similar*

1 designation such as "damaged", "salvaged", "reconstructed", "rebuilt",  
2 "repaired", "water damaged" or other similar classification and has been  
3 damaged to the extent of less than seventy percent (70%) of the retail value  
4 of the vehicle, it may be rebuilt or reconstructed in Arkansas and issued an  
5 Arkansas certificate of title without any remarks entered on the regular  
6 certificate of title.

7 (b) Proof as to the value of the repairs shall be sent to the Office of  
8 Motor Vehicles in the form of two (2) black-and-white photographs of the  
9 vehicle damage and affidavits describing the repairs accompanied by invoices  
10 of parts needed or used to repair the vehicle. Invoices of the parts shall be  
11 required whether the parts are new or used. Invoices containing used parts  
12 that are serial numbered shall include the serial number of the part.

13 (c) The Office of Motor Vehicles shall provide standard affidavits with  
14 proper spaces for serial numbers of parts used for repairs.

15 (d) The Arkansas State Police shall have access to all notarized  
16 affidavits and all parts receipts and invoices submitted to the Office of  
17 Motor Vehicles under this Act with the purpose of inspecting them for any  
18 stolen parts or parts from stolen vehicles.

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20 SECTION 7. When any Arkansas motor vehicle has been issued a "Damage  
21 History" certificate of title and it is rebuilt in Arkansas, the owner shall  
22 make application to the Office of Motor Vehicles for the registration and  
23 issuance of a new title. If the owner is not a licensed Arkansas motor  
24 vehicle dealer, the owner shall pay sales tax on the vehicle as prescribed by  
25 law. If the owner is a licensed Arkansas motor vehicle dealer, the title  
26 shall be issued in the dealer\_s name and the dealer shall be exempt from  
27 paying sales tax for titling purposes only.

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29 SECTION 8. (a) Any person who pleads guilty, nolo contendere, or is  
30 found guilty of violating the provisions of this Act regarding the re-titling  
31 of a motor vehicle shall be guilty of a Class B misdemeanor.

32 (b) Any person who pleads guilty, nolo contendere, or is found guilty  
33 of violating the provisions of this Act regarding the fraudulent use of or  
34 submission of any photographs, affidavits, or invoices shall be guilty of a  
35 Class D felony.

1 (c) Any person injured by a violation of this Act shall recover the  
2 actual damages sustained together with costs and disbursements, including a  
3 reasonable attorney\_s fee, provided that the court in its discretion may  
4 increase the award of damages to an amount not to exceed three (3) times the  
5 actual damages sustained or one thousand five hundred dollars (\$1,500),  
6 whichever is greater.

7 (d) This section does not preclude any other relief to which any person  
8 may lawfully be entitled.

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10 SECTION 9. For the purposes of this Act, the amount of damages  
11 sustained to a motor vehicle shall be determined by the use of a repair  
12 estimate which uses the original equipment, manufacturer\_s parts prices.

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

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18 SECTION 11. If any provision of this act or the application thereof to  
19 any person or circumstance is held invalid, such invalidity shall not affect  
20 other provisions or applications of the act which can be given effect without  
21 the invalid provision or application, and to this end the provisions of this  
22 act are declared to be severable.

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

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*/s/O. Miller*

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