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4

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A Bill

SENATE BILL 574

5 *By: Senators Walters, Russ, Scott, Hoofman, Walker, Edwards, Hunter, Webb, Brown, Boozman, Jeffries and Canada*
6 *By: Representatives Bisbee, Curran, Miller, J. Hudson, Wren, Wooldridge, Broadway, Bryant, Lancaster, Sheppard, D. Hudson,*
7 *Milum, Keltner, Thomas, Hausam, Courtway, Wilkinson and Capps*
8
9

For An Act To Be Entitled

11 "AN ACT TO STREAMLINE THE VEHICLE REGISTRATION PROCEDURE;
12 TO PROVIDE COUNTY TAX ASSESSORS AND COLLECTORS ELECTRONIC
13 METHODS FOR BLOCKING THE RENEWAL OF VEHICLE REGISTRATIONS
14 OF PERSONS FAILING TO ASSESS OR PAY PERSONAL PROPERTY
15 TAXES AS REQUIRED BY LAW; TO IMPOSE A NEW FEE OF \$2.50 TO
16 COVER THE COSTS OF ISSUING VALIDATION DECALS AND
17 STREAMLINING THE VEHICLE REGISTRATION PROCEDURE; TO ALLOW
18 THE PAYMENT OF CERTAIN FEES AND TAXES BY CREDIT CARD; TO
19 ALLOW THE REGISTRATION OF VEHICLES BY PHONE,
20 ELECTRONICALLY, OR OTHER REASONABLE METHOD; TO REPEAL THE
21 REQUIREMENT THAT VEHICLES BE INSPECTED PRIOR TO
22 REGISTRATION; TO REPEAL THE \$3.50 FEE FOR SUCH VEHICLE
23 INSPECTION; TO ELIMINATE THE REQUIREMENT THAT PROOF OF
24 LIABILITY INSURANCE BE SHOWN AT REGISTRATION; AND FOR
25 OTHER PURPOSES."

Subtitle

26
27
28 "AN ACT TO STREAMLINE THE VEHICLE
29 REGISTRATION PROCESS."
30

31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
32

33 SECTION 1. Ark. Code Ann. § 27-14-706 is repealed.

34 ~~§ 27-14-706. Listing with assessor and payment of taxes as prerequisite~~
35 ~~to registration - Exceptions.~~

36 ~~(a) Any person owning a motor vehicle in Arkansas shall present proof~~

1 ~~that the tax due on all of the personal property of the applicant has been~~
2 ~~paid, shall list the personal property with the county assessor of the county~~
3 ~~of his residence, and shall present a copy of the listing with his application~~
4 ~~for registration and license plates to the Director of the Department of~~
5 ~~Finance and Administration or his agents.~~

6 ~~—— (b) A person who was not a resident of this state during the assessment~~
7 ~~period may present, in lieu of the proof required in subsection (a), an~~
8 ~~affidavit stating that the person was not a resident of the state during the~~
9 ~~assessment period and that no tax is due and payable.~~

10 ~~—— (c) The assessor shall maintain a file or record preserving the~~
11 ~~listings to be used in making assessments thereafter.~~

12 ~~—— (d) If the motor vehicle has already been assessed, a written statement~~
13 ~~of the assessor will be accepted in lieu of the statement provided in this~~
14 ~~section, it being the purpose of this section and § 27-14-309 to require that~~
15 ~~the tax due on all personal property of the applicant shall have been paid and~~
16 ~~to require that all motor vehicles in this state be assessed or listed for~~
17 ~~assessment before registered or licensed for use on the highways of this~~
18 ~~state.~~

19 ~~—— (e) The listing as provided in this section may be accomplished by~~
20 ~~United States mail.~~

21 ~~—— (f) The provisions of this section shall not apply to dealer's licenses~~
22 ~~and registration.~~

23 ~~—— (g) Upon failure to submit such evidence, the director, or any other~~
24 ~~person authorized to issue motor vehicle licenses, shall refuse to issue the~~
25 ~~applicant a motor vehicle license until the taxes are paid.~~

26 ~~—— (h)(1) County assessors, at their discretion, may adopt a policy to~~
27 ~~provide that whenever a person seeks to register a motor vehicle purchased, or~~
28 ~~otherwise acquired, after January 1 of the calendar year in which such~~
29 ~~registration is sought, the person shall not be required, as a condition of~~
30 ~~registering the vehicle, to show proof that the vehicle has been listed for~~
31 ~~assessment of ad valorem taxes.~~

32 ~~—— (2) The provisions of this subsection shall not alter the requirement~~
33 ~~that a person show proof that all outstanding personal property taxes due on~~
34 ~~the personal property of the person have been paid and that the personal~~
35 ~~property of the person has been assessed for taxation as required by law.~~

36

1 SECTION 2. Ark. Code Ann. § 27-14-1207(a) is repealed.

2 ~~(a) Every applicant for permanent plates or biennial tab or decal must~~
3 ~~submit proof of his personal property assessment, property tax payment, and~~
4 ~~such other information as the director may require.~~

5

6 SECTION 3. Ark. Code Ann. § 27-14-1208 is repealed.

7 ~~§ 27-14-1208. Proof of assessment and payment of personal property~~
8 ~~taxes.~~

9 ~~(a) It shall be the duty of the director, or any other person~~
10 ~~authorized to issue trailer licenses or renew licenses, to require the~~
11 ~~applicant for the license to submit, in any manner that the director may~~
12 ~~require, proof of current assessment and payment of outstanding personal~~
13 ~~property taxes from the county or counties in which his personal property is~~
14 ~~required by law to be assessed.~~

15 ~~(b) Any applicant who seeks to register a trailer in a county other~~
16 ~~than the county in which the trailer was registered the previous year shall be~~
17 ~~required to submit, in any manner that the director may require, proof of~~
18 ~~current assessment and payment of outstanding personal property taxes from the~~
19 ~~tax collector of the county in which the trailer was registered the previous~~
20 ~~year, showing that the applicant has paid his personal property taxes for the~~
21 ~~previous year or that he owed none.~~

22 ~~(c) Upon failure to submit such evidence, the director, or any other~~
23 ~~person authorized to issue the licenses, shall refuse to issue the applicant a~~
24 ~~license until the taxes are paid and the assessments are made.~~

25 ~~(d)(1) It shall be unlawful for any applicant for registration of a~~
26 ~~trailer to fraudulently obtain registration by producing to the director proof~~
27 ~~of payment of personal property taxes showing that his personal property taxes~~
28 ~~have been paid, or that he owes no taxes, when in fact the applicant does owe~~
29 ~~taxes in one (1) or more counties.~~

30 ~~(2)(A) Any person violating the provisions of this subsection shall be~~
31 ~~guilty of a misdemeanor and, upon conviction, shall be subject to a fine of~~
32 ~~not less than twenty-five dollars (\$25.00) nor more than two hundred fifty~~
33 ~~dollars (\$250); and~~

34 ~~(B) The director shall cancel the registration of all trailers~~
35 ~~registered in the name of the person.~~

36

1 SECTION 4. Ark. Code Ann. §27-14-1015 is hereby amended to read as
2 follows:

3 ~~"§ 27-14-1015. Payment of personal property taxes and listing for~~
4 ~~assessment required - Unlawful acts - Penalties.~~

5 ~~—— (a) Every applicant for permanent plates or annual tab or decal shall~~
6 ~~submit proof that he has paid all currently due personal property taxes, that~~
7 ~~he listed for assessment all of his personal property, including the motor~~
8 ~~vehicle for which the permanent plate or annual tab or decal is sought, and~~
9 ~~such other information as the director may require.~~

10 ~~—— (b)(1) It shall be the duty of the director, or any other person~~
11 ~~authorized to issue motor vehicle licenses or renew licenses, to require the~~
12 ~~applicant for the license to submit, in any manner that the director may~~
13 ~~require, proof of filing of an assessment of his personal property, including~~
14 ~~the motor vehicle for which the license is sought, and payment of all~~
15 ~~outstanding personal property taxes from any county in which his personal~~
16 ~~property is required by law to be assessed. The director shall accept legible~~
17 ~~facsimile machine-transmitted copies of this proof as evidence of the payment~~
18 ~~of taxes, the assessment of personal property, and such other information~~
19 ~~required by law or by the director.~~

20 ~~—— (2) No license or decal shall be issued to any applicant unless the~~
21 ~~proof of listing for assessment shall clearly show that the applicant has~~
22 ~~currently listed for assessment the motor vehicle for which the license or~~
23 ~~decal is sought.~~

24 ~~—— (3) However, no person shall be required to submit to the director~~
25 ~~proof as provided in this subsection more than one (1) time in the same~~
26 ~~calendar year with respect to the same vehicle.~~

27 ~~—— (c) Any applicant who seeks to register a vehicle in a county other~~
28 ~~than the county in which the vehicle was registered the previous year shall be~~
29 ~~required to submit, in any manner that the director may require, proof of~~
30 ~~current assessment and payment of outstanding personal property taxes from the~~
31 ~~tax collector of the county in which the vehicle was registered the previous~~
32 ~~year, showing that the applicant has paid his personal property taxes for the~~
33 ~~previous year, or that he owed none.~~

34 ~~—— (d) Upon failure to submit such evidence, the director, or any other~~
35 ~~person authorized to issue such licenses, shall refuse to issue the applicant~~
36 ~~a license until the taxes are paid and the assessments are made.~~

1 ~~—— (e)(1)(A) It shall be unlawful for any applicant for registration of a~~
2 ~~motor vehicle to fraudulently obtain registration by producing to the director~~
3 ~~proof of payment of personal property taxes showing that his personal property~~
4 ~~taxes have been paid or that he owes no taxes when in fact the applicant does~~
5 ~~owe taxes in one (1) or more counties.~~

6 ~~—— (B) Further, it shall be unlawful to display on a permanent license~~
7 ~~plate an annual tab or decal which was obtained fraudulently or unlawfully or~~
8 ~~was obtained pursuant to the registration of a permanent license plate other~~
9 ~~than the permanent license plate upon which it is displayed.~~

10 ~~—— (2) Any person violating the provisions of this subsection shall be~~
11 ~~guilty of a misdemeanor and, upon conviction, shall be subject to a fine of~~
12 ~~not less than twenty-five dollars (\$25.00) nor more than two hundred fifty~~
13 ~~dollars (\$250), and the director shall cancel the registration of all vehicles~~
14 ~~registered in the name of that person.~~

15 (a) The owner of every vehicle subject to registration in Arkansas shall
16 assess the vehicle with the county tax assessor in the county where required
17 by law and within the time required by law.

18 (b)(1) The county tax assessor and county tax collector shall provide to
19 the Director of the Department of Finance and Administration updates to the
20 state vehicle registration system to indicate whether or not the owner of each
21 vehicle registered in the county has assessed the vehicle and owes no
22 delinquent personal property taxes. Such updates shall be required not later
23 than January 1, 1999.

24 (2) The provisions of this Section shall not apply to vehicles assessed
25 by the Tax Division of the Arkansas Public Service Commission and registered
26 under the provisions of the International Registration Plan, nor shall the
27 provisions of this Section apply to vehicles owned by the State, public
28 schools, political subdivisions of this state or any other vehicles which are
29 not subject to annual assessment and payment of personal property taxes.

30 (3) The Director shall provide free of charge to each county assessor
31 and to each county collector in this state, such additional computer hardware,
32 software and telecommunications links as he deems are essential to allow the
33 county assessors and collectors to electronically forward to the department
34 updates to the vehicle registration system for the purposes of adding,
35 changing or removing information identifying vehicles which have been assessed
36 within the time frame required by law, and vehicles for which the owners have

1 paid personal property taxes within the time frame required by law.

2 (c) There is hereby levied a new fee of two dollars and fifty cents
3 (\$2.50) for the sale of each annual license plate validation decal for a motor
4 vehicle. This new fee shall be collected by the Director at the same time the
5 vehicle registration fees imposed by Ark. Code Ann. § 27-14-601 are collected;
6 however, this new decal fee shall be accounted for separately from the
7 registration fee. Such amount shall be mandatory and is collected for the
8 purpose of extending to vehicle owners the additional services and
9 conveniences of the options to renew vehicle registrations by telephone,
10 electronically, by mail or in person without requiring applicants to submit to
11 the Director proof of assessment and payment of personal property taxes.

12 (d)(1) One dollar and fifty cents (\$1.50) of the amount collected by the
13 Director pursuant to subsection (c) above for each annual license plate
14 validation decal shall not be deposited in the State Treasury but shall be
15 remitted to the Arkansas Development Finance Authority.

16 (2) One dollar (\$1.00) of the amount collected by the Director pursuant
17 to subsection (c) above for each annual license plate validation decal shall
18 be deposited into the State Treasury as direct revenues to the State Central
19 Services Fund Account, there to be used by the Revenue Division in supporting
20 those activities and programs which will facilitate extending to vehicle
21 owners the additional services and conveniences of the options to renew
22 vehicle registrations by telephone, electronically, by mail or in person
23 without requiring applicants to submit to the Director proof of assessment and
24 payment of personal property taxes or proof of automobile liability insurance
25 coverage.

26 (3) All amounts derived from the new fee imposed by subsection (c) of
27 this section for the sale of annual license plate validation decals, whether
28 held by the Director or the Authority, which are to be remitted to the
29 Arkansas Development Finance Authority shall be cash funds not subject to
30 appropriation, and shall be used and applied by the authority only as provided
31 in §22-3-1225. The fees charged for the annual license plate validation decal
32 and paid to the Authority pursuant to Section 4(d)(1) shall not be reduced or
33 otherwise impaired during the time that such fees are pledged by the Authority
34 to the repayment of any of the Authority's bonds issued in accordance with §
35 22-3-1225."

36

1 Section 5. Ark. Code Ann. §26-26-706 is hereby amended to read as
2 follows:

3 ~~"(a) The Director of the Department of Finance and Administration shall~~
4 ~~annually prepare and file with each county assessor a list containing the~~
5 ~~names and addresses of all persons or business institutions securing~~
6 ~~automobiles, truck, trailer, motorcycle, and other motor vehicle licenses in~~
7 ~~their respective counties. The list shall include the make, the style, and~~
8 ~~year model of the automobile or truck and the license number assigned.~~

9 ~~—— (b)(1) It shall be unlawful for the county assessor to give out or~~
10 ~~divulge the contents of the list except to use it in assessing personal~~
11 ~~property for tax purposes or to make it available to law enforcement officers~~
12 ~~within the counties for law enforcement purposes.~~

13 ~~—— (2) Any person violating the provisions of this section shall be guilty~~
14 ~~of a misdemeanor and upon conviction shall be fined in a sum not less than~~
15 ~~fifty dollars (\$50.00) nor more than five hundred dollars (\$500).~~

16 On or before January 1, 1999, the Director of the Department of Finance
17 and Administration shall institute a system whereby the county assessor and
18 county collector shall notify the Director that a vehicle owner has assessed a
19 vehicle and has paid all personal property taxes that were due by the
20 preceding October 10. Upon receipt of such notification the Director shall
21 renew the vehicle license. Such notification by the county assessor and
22 collector shall be in the form of an electronic notation placed on or removed
23 from the department's vehicle license record by the county assessor and
24 collector denoting that the vehicle has been assessed and that the owner owes
25 no delinquent personal property taxes. Prior to instituting such system the
26 Director shall continue to require vehicle owners to present proof that each
27 vehicle has been assessed and that all personal property taxes due from the
28 owner by the preceding October 10 have been paid before issuing or renewing
29 any vehicle registration."

30

31 SECTION 6. Ark. Code Ann. § 27-13-101 is repealed.

32 ~~§ 27-13-101. Payment of personal property taxes as condition to~~
33 ~~registration or renewal.~~

34 ~~—— (a) Before the Revenue Division of the Department of Finance and~~
35 ~~Administration will issue motor vehicle licenses or tags, the taxpayer must~~
36 ~~provide the following:~~

- 1 ~~—— (1) Proof of the current year's assessment;~~
2 ~~—— (2) Proof of payment of any personal property taxes that were due by~~
3 ~~October 10 of the previous calendar year, which can be the original receipt or~~
4 ~~a photocopy thereof, or an approved collector's certificate containing receipt~~
5 ~~number, date, amount, and signature.~~
6 ~~—— (b) The Director of the Assessment Coordination Division of the Public~~
7 ~~Service Commission shall assist the Director of the Department of Finance and~~
8 ~~Administration in discovering those persons who have fraudulently registered a~~
9 ~~motor vehicle while owing delinquent personal property taxes in violation of~~
10 ~~27-14-706 or any other law. The Assessment Coordination Division shall report~~
11 ~~those persons to the Director of the Department of Finance and Administration~~
12 ~~for enforcement of such fines and penalties as are authorized by law.~~
13 ~~—— (c) The Director of the Department of Finance and Administration shall~~
14 ~~register or renew the registration of only those vehicles listed on the tax~~
15 ~~receipts of the taxpayer desiring to register the vehicle.~~

16

17 SECTION 7. Ark. Code Ann. § 27-13-102 is repealed.

18 ~~—— § 27-13-102. Proof of insurance required.~~

19 ~~—— (a) No motor vehicle license plate shall be issued or renewed without~~
20 ~~satisfactory proof to the Department of Finance and Administration that the~~
21 ~~applicant meets the requirements of § 27-22-101 et seq.~~

22 ~~—— (b) The Department of Finance and Administration shall not be liable~~
23 ~~for any damages to any property or person due to any act or omission in the~~
24 ~~keeping of any record under § 27-22-101 et seq. or the issuing or renewing of~~
25 ~~any motor vehicle license plate.~~

26 ~~—— (c) The provisions of this section shall not be applicable to~~
27 ~~state-owned vehicles nor to state employees while operating the state-owned~~
28 ~~vehicles.~~

29

30 SECTION 8. Title 27, Chapter 32 of the Arkansas Code Annotated is
31 hereby repealed in its entirety.

32 ~~—— § 27-32-101. Definitions.~~

33 ~~As used in this chapter, unless the context otherwise requires:~~

34 ~~—— (1) "Department" means the Department of Arkansas State Police;~~

35 ~~—— (2) "Director" means the Director of the Department of Arkansas State~~
36 ~~Police;~~

1 ~~_____ (3) "Authority" means the Arkansas Development Finance Authority.~~

2 ~~_____ § 27-32-102. Provisions not applicable to certain vehicles.~~

3 ~~_____ (a) The provisions of this chapter shall not be applicable to the~~
4 ~~following:~~

5 ~~_____ (1) Motor vehicles operating under the safety regulations and meeting~~
6 ~~the safety standards of the United States Department of Transportation;~~

7 ~~_____ (2) Motor vehicles of a municipally owned and operated transit system;~~

8 ~~_____ (3) Motor vehicles which are forty (40) years old or older and which~~
9 ~~are used primarily for exhibition in shows, parades, tours, and other special~~
10 ~~uses and not for general transportation.~~

11 ~~_____ (b) The provisions of this chapter relative to periodic inspection of~~
12 ~~motor vehicles, trailers, semitrailers, or pole trailers, and combinations~~
13 ~~thereof, shall not be applicable to trailers and semitrailers having a gross~~
14 ~~loaded weight of three thousand pounds (3,000 lbs) or less; trailers and~~
15 ~~semitrailers, not for hire, used primarily for hauling farm products; and~~
16 ~~house trailers not operated upon the public highways.~~

17 ~~_____ § 27-32-103. Penalties.~~

18 ~~_____ (a) Any person who shall make, issue, or knowingly use any imitation or~~
19 ~~counterfeit of an official certificate of inspection; or who shall display, or~~
20 ~~cause or permit to be displayed, upon any motor vehicle any certificate of~~
21 ~~inspection knowing it to be fictitious or issued without the vehicle having~~
22 ~~first been properly inspected as required by this chapter; or who unlawfully~~
23 ~~mutilates a valid certificate of inspection or rejection; or who unlawfully~~
24 ~~removes such a certificate from a motor vehicle shall be guilty of a~~
25 ~~misdemeanor and fined not less than twenty dollars (\$20.00) nor more than two~~
26 ~~hundred dollars (\$200).~~

27 ~~_____ (b) Any person who shall display, or cause or permit to be displayed,~~
28 ~~any sign, mark, or advertisement as an official inspection station or official~~
29 ~~individual inspector, unless a license has been issued by the director and is~~
30 ~~then in effect; or who shall transfer, or attempt to transfer, a license; or~~
31 ~~who knowingly makes a false statement on an application for a license for an~~
32 ~~official inspection station or official individual inspector, or renewal~~
33 ~~thereof, shall be guilty of a misdemeanor and fined not less than fifty~~
34 ~~dollars (\$50.00) nor more than five hundred dollars (\$500).~~

35 ~~_____ (c) Any person violating any provision of this chapter where no~~
36 ~~specific penalty is provided in subsections (a) and (b) of this section shall~~

1 ~~be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of~~
2 ~~not less than twenty-five dollars (\$25.00) nor more than two hundred fifty~~
3 ~~dollars (\$250).~~

4 ~~_____ § 27-32-104. Motor vehicles to be in safe mechanical condition.~~

5 ~~No person shall drive or move on any highway any motor vehicle, trailer,~~
6 ~~semitrailer, or pole trailer, or any combination thereof, unless the equipment~~
7 ~~upon the vehicle is in good working order and adjustment as required in this~~
8 ~~chapter and unless the vehicle is in such safe mechanical condition as not to~~
9 ~~endanger the driver or other occupant or any person upon the highway.~~

10 ~~_____ § 27-32-105. Inspections to be made on staggered basis.~~

11 ~~The director shall provide, by regulation, for the official inspection and~~
12 ~~issuance of a certificate of inspection based on the last digit on license~~
13 ~~plates, rotation by alphabetical listing of owner's last name, or some other~~
14 ~~staggered basis, upon payment of the required fee and compliance with the~~
15 ~~other provisions of this chapter.~~

16 ~~_____ § 27-32-106. Extensions of time for inspections.~~

17 ~~With the approval of the Governor, the director may extend the time for not~~
18 ~~more than sixty (60) days for any of the inspections required by this chapter~~
19 ~~in any case where weather conditions of the highways or any other cause~~
20 ~~whatsoever renders compliance with the provisions of this chapter within the~~
21 ~~prescribed time difficult or impossible for a large number of persons.~~

22 ~~_____ § 27-32-107. Inspection required before registration and licensing.~~

23 ~~No vehicle shall be registered or licensed under the provisions of the laws of~~
24 ~~this state by the Director of the Department of Finance and Administration~~
25 ~~unless the motor vehicle for which the license is sought is inspected under~~
26 ~~the provisions of this chapter at the time of receipt of the notice for~~
27 ~~renewal of registration or within thirty (30) days immediately prior to making~~
28 ~~application for licensing or relicensing of the motor vehicle.~~

29 ~~_____ § 27-32-108. Inspection required on sale or transfer.~~

30 ~~_____ (a) Every motor vehicle, trailer, semitrailer, and pole trailer~~
31 ~~registered in this state and subsequently sold or transferred must have a new~~
32 ~~or current official certificate of inspection and approval if the annual~~
33 ~~inspection for safety on the motor vehicle, trailer, semitrailer, or pole~~
34 ~~trailer was conducted more than thirty (30) days prior to the transfer or~~
35 ~~sale.~~

36 ~~_____ (b) No motor vehicle, trailer, semitrailer, or pole trailer shall be~~

1 ~~operated upon a public street or highway for more than twenty (20) days after~~
2 ~~the transfer date unless a valid certificate of inspection and approval is~~
3 ~~properly attached thereto.~~

4 ~~_____ § 27-32-109. Annual inspection required.~~

5 ~~_____ (a) Every motor vehicle, trailer, semitrailer, and pole trailer~~
6 ~~registered in this state, except house trailers not operated upon the~~
7 ~~highways, shall be annually inspected for safety. An official certificate of~~
8 ~~inspection and approval shall be obtained for each such vehicle.~~

9 ~~_____ (b)(1)(A) Inspection shall be made and certificates obtained with~~
10 ~~respect to the brakes, lights, turn signals, if any, steering, sound devices,~~
11 ~~glass, mirror, exhaust system, windshield wipers, tires, and other items of~~
12 ~~equipment as the director may determine.~~

13 ~~_____ (B) The inspection of tires and wheel alignment required in this~~
14 ~~chapter shall be a visual inspection only.~~

15 ~~_____ (2)(A) If the person making the inspection finds that there is more~~
16 ~~than one (1) crack or other visual impairment in an eight-inch-wide area~~
17 ~~running horizontally through the center of the windshield that falls under the~~
18 ~~windshield wiper area on the driver's side, then that vehicle shall not be~~
19 ~~issued an inspection certificate until the crack or other visual impairment~~
20 ~~has been corrected.~~

21 ~~_____ (B) Any decision resulting in failure to issue an inspection~~
22 ~~certificate due to faulty glass may be appealed to the Motor Vehicle~~
23 ~~Inspection Division of the Department of Arkansas State Police.~~

24 ~~_____ (c)(1) In the event repair or adjustment of any vehicle or its~~
25 ~~equipment is found necessary upon inspection, the owner of the vehicle may~~
26 ~~obtain repair or adjustment at any place he may choose within ten (10) days.~~

27 ~~_____ (2) In every event, an official certificate of inspection and approval~~
28 ~~shall be obtained from an official permit holder within ten (10) days before~~
29 ~~the vehicle shall be operated upon the highways of this state.~~

30 ~~_____ (3) The fee shall be collected at the time of the original inspection.~~

31 ~~_____ (4) No additional fee shall be charged if the vehicle is repaired and~~
32 ~~returned to the same inspection station within ten (10) days.~~

33 ~~_____ (d) The Office of Motor Vehicle, on proper notice by the department,~~
34 ~~shall suspend the registration of any vehicle which is determined to be in~~
35 ~~such unsafe condition as to constitute a menace to safety, or which, after~~
36 ~~notice and demand, is not equipped as required by this chapter, or for which a~~

1 ~~required certificate has not been obtained.~~

2 ~~—— (e) The director may, by regulation, authorize the acceptance in this~~
3 ~~state of a certificate of inspection and approval issued in another state~~
4 ~~having an inspection law similar to this state and may extend the time within~~
5 ~~which a certificate shall be obtained by the resident owner of a vehicle which~~
6 ~~was not in this state during the time an inspection was required.~~

7 ~~—— ^A 27-32-110. Permits for official inspection stations.~~

8 ~~—— (a)(1) The department shall administer the program for the inspection~~
9 ~~of motor vehicles established by the provisions of ^{AA} 27-32-101 - 27-32-115.~~
10 ~~—— (2) The department shall issue permits for and furnish instructions and~~
11 ~~all necessary forms to official inspection stations for the inspection of~~
12 ~~motor vehicles as required by this chapter.~~

13 ~~—— (3) The department shall obtain all certificates of inspection from the~~
14 ~~authority.~~

15 ~~—— (b)(1) An annual fee set by regulation of the department shall not~~
16 ~~exceed fifty dollars (\$50.00) and shall accompany the application for a~~
17 ~~permit.~~

18 ~~—— (2) If a permit is not issued, one-half (1/2) of the fee shall be~~
19 ~~returned to the applicant.~~

20 ~~—— (3) The official certificates of inspection and approval shall be~~
21 ~~obtained from the authority at a cost of one dollar and fifty cents (\$1.50)~~
22 ~~per certificate.~~

23 ~~—— (4) Purchases of the certificates of inspection shall be made through~~
24 ~~the department, and the department shall remit on a monthly basis to the~~
25 ~~authority all amounts collected during the preceding month for the purchase of~~
26 ~~certificates of inspection.~~

27 ~~—— (c) Application for a permit shall be made upon an official form and~~
28 ~~shall be granted only when the department is satisfied that the garage,~~
29 ~~service station, or shop of the applicant is properly equipped and has~~
30 ~~competent personnel to make safety inspections and that they will be properly~~
31 ~~conducted.~~

32 ~~—— (d) Before issuing a permit, the director may require the applicant to~~
33 ~~file a bond conditioned that it will make compensation for any damage to a~~
34 ~~vehicle during an inspection or adjustment due to negligence on the part of~~
35 ~~the applicant or its employees.~~

36 ~~—— (e)(1) The director shall supervise and cause inspections to be made of~~

1 ~~the stations and shall revoke the permit issued to a station which he finds is~~
2 ~~not properly conducted.~~

3 ~~—— (2) The department shall maintain lists of all stations holding permits~~
4 ~~and of those whose permits have been revoked.~~

5 ~~—— (f) The director shall revoke the permit issued to an inspection~~
6 ~~station upon the written request of the station and only after all signs or~~
7 ~~posters pertaining to the safety inspection program used by an official~~
8 ~~station are removed from a conspicuous place on the premises.~~

9 ~~—— (g) No permit for an official station shall be assigned or transferred~~
10 ~~or used at any location other than therein designated, and permits shall be~~
11 ~~posted in a conspicuous place at the location designated.~~

12 ~~—— (h) The department shall issue a permit under the provisions of this~~
13 ~~chapter to:~~

14 ~~—— (1) Any operator of five (5) or more commercial vehicles who carried~~
15 ~~out a safety program meeting the approval of the department; and~~

16 ~~—— (2) Any franchised dealer in new motor vehicles.~~

17 ~~—— A 27-32-111. Operation of inspection stations.~~

18 ~~—— (a) No person shall, in any manner, represent any place as an official~~
19 ~~inspection station unless the station is operating under a valid permit issued~~
20 ~~by the department.~~

21 ~~—— (b) All signs or posters pertaining to the safety inspection program to~~
22 ~~be used by an official station shall be approved by the department before~~
23 ~~being distributed or posted.~~

24 ~~—— (c) No person other than a duly authorized permit holder, or appointed~~
25 ~~employee of the permit holder, shall issue a certificate of inspection and~~
26 ~~approval.~~

27 ~~—— A 27-32-112. Issuance of certificates of inspection.~~

28 ~~—— (a)(1) The person operating an official inspection station shall issue~~
29 ~~a certificate of inspection and approval upon an official form furnished by~~
30 ~~the department to the owner of a vehicle only upon inspecting the vehicle and~~
31 ~~determining that its equipment required by this chapter is in good condition~~
32 ~~and proper adjustment.~~

33 ~~—— (2) A record and report shall be made of every inspection and every~~
34 ~~certificate issued.~~

35 ~~—— (3) These records shall be forwarded to the department at such times as~~
36 ~~the director, by regulation, shall specify.~~

1 ~~_____ (b)(1) The fee for the inspection, including the issuance of the~~
2 ~~certificate of approval, shall be three dollars and fifty cents (\$3.50), with~~
3 ~~the exception of all motor trucks, trailers, semitrailers, and pole trailers~~
4 ~~in excess of gross loaded weight of eight thousand pounds (8,000 lbs).~~

5 ~~_____ (2) The fee for inspection, including the issuance of the certificate~~
6 ~~of approval, for all motor trucks, trailers, semitrailers, and pole trailers~~
7 ~~with a gross loaded weight in excess of eight thousand pounds (8,000 lbs)~~
8 ~~shall be under rules and regulations prescribed by the director but shall be~~
9 ~~not less than three dollars and fifty cents (\$3.50) nor more than seventeen~~
10 ~~dollars and fifty cents (\$17.50) per inspection.~~

11 ~~_____ (c) No certificate of approval shall be issued until and unless the~~
12 ~~prescribed inspection is completed and the permit holder has complied with the~~
13 ~~provisions of this chapter.~~

14 ~~_____ (d) At the conclusion of each inspection of a motor vehicle by the~~
15 ~~person performing the inspection, the appropriate inspection certificate shall~~
16 ~~be placed in the lower left-hand portion of the front windshield on the~~
17 ~~driver's side in a place that shall not obstruct the vision of the driver,~~
18 ~~except that, upon the inspection of a motorcycle, the inspection certificate~~
19 ~~shall be placed in the appropriate space on the license plate.~~

20 ~~_____ § 27-32-113. Restrictions on certificates of inspection.~~

21 ~~_____ (a) No person shall make, issue, or knowingly use any imitation or~~
22 ~~counterfeit of an official certificate of inspection.~~

23 ~~_____ (b) No person shall display, or cause or permit to be displayed, upon~~
24 ~~any vehicle any certificate of inspection and approval knowing it to be~~
25 ~~fictitious, or issued for another vehicle or issued without an inspection~~
26 ~~having been made.~~

27 ~~_____ (c) No unauthorized person shall knowingly possess vehicle inspection~~
28 ~~stickers.~~

29 ~~_____ § 27-32-114. Authority to stop vehicles for inspection and test.~~

30 ~~_____ (a) The director, uniformed officers and troopers of the department,~~
31 ~~other officers and employees of the department, and any other peace officer as~~
32 ~~the director may designate may, at any time upon reasonable cause to believe~~
33 ~~that a motor vehicle is unsafe or not equipped as required by law or that its~~
34 ~~equipment is not in proper adjustment or repair, require the driver of the~~
35 ~~motor vehicle to stop and submit the vehicle to an inspection and such test~~
36 ~~with reference thereto as may be appropriate.~~

1 ~~—— (b)(1) In the event a vehicle with a valid inspection sticker is found~~
2 ~~to be in unsafe condition or any required part or equipment is not present or~~
3 ~~is not in proper repair and adjustment, the officer shall give a written~~
4 ~~notice to the driver and shall send one (1) copy to the department.~~

5 ~~—— (2) The notice shall require that the motor vehicle be placed in safe~~
6 ~~condition and its equipment in proper repair and adjustment within a period of~~
7 ~~five (5) days or else remove the motor vehicle from the public highways and~~
8 ~~not operate it on the highways until the motor vehicle is repaired and placed~~
9 ~~in a safe condition.~~

10 ~~—— (c) No person driving a motor vehicle shall refuse to submit his~~
11 ~~vehicle to an inspection and test when required to do so by the director or an~~
12 ~~authorized employee of the department or an authorized peace officer.~~

13 ~~—— (d) No person shall operate any vehicle after receiving a notice with~~
14 ~~reference thereto as provided in subsection (b) of this section except as may~~
15 ~~be necessary to return such vehicle to the residence or place of business of~~
16 ~~the owner or driver or to a garage until the vehicle and its equipment have~~
17 ~~been placed in proper repair and adjustment and otherwise made to conform to~~
18 ~~the requirements of this chapter.~~

19 ~~—— (e) In the event repair or adjustment of any vehicle or its equipment~~
20 ~~is found necessary upon inspection, the owner of the vehicle may obtain repair~~
21 ~~or adjustment at any place he may choose.~~

22 ~~—— (f) In the event the use of a vehicle in its present condition would,~~
23 ~~in the reasonable judgment of the officer, endanger the life of any member of~~
24 ~~the public, the officer shall require the vehicle to be parked at the owner's~~
25 ~~expense and not operated until it is placed in a safe condition.~~

26 ~~—— ^A 27-32-115. Rules and regulations.~~

27 ~~The director is authorized to make all necessary rules and regulations for the~~
28 ~~administration and enforcement of this chapter.~~

29 ~~—— ^A 27-32-116. Disposition of fees.~~

30 ~~—— (a) All fees, other than amounts collected for the purchase of~~
31 ~~certificates of inspection, collected by the department under this chapter~~
32 ~~shall be special revenues and shall be deposited in the State Treasury to the~~
33 ~~credit of the Department of Arkansas State Police Fund to be used to defray~~
34 ~~the cost of administering this chapter and for the support of the department~~
35 ~~as provided by law.~~

36 ~~—— (b) As provided in ^A 27-32-110(b)(3), all amounts collected by the~~

~~1 department for the purchase of certificates of inspection shall be remitted to~~
~~2 the authority. All amounts derived from the sale of certificates of~~
~~3 inspection, whether held by the department or the authority, shall be cash~~
~~4 funds of the authority, not subject to appropriation, and shall be used and~~
~~5 applied by the authority only as provided in this section and § 22-3-1225.~~

~~6 ——— § 27-32-117. Motorcycle safety inspection decals.~~

~~7 ——— (a) The motor vehicle safety inspection decals for motorcycles shall be~~
~~8 designed to fit within a space on the license plate designated for that~~
~~9 purpose.~~

~~10 ——— (b) The Director of the Department of Arkansas State Police is~~
~~11 authorized to make any necessary changes in the design of the motor vehicle~~
~~12 safety inspection decals for motorcycles in order to comply with §~~
~~13 27-32-112(d).~~

14

15 SECTION 9. Vehicles to be in safe mechanical condition.

16 (a) No person shall drive or move any vehicle subject to registration
17 on any highway in this state unless the equipment on the vehicle is in good
18 working order and adjustment as required for the vehicle's safe operation and
19 unless the vehicle is in such safe mechanical condition as not to endanger the
20 driver, other occupants of the vehicle, or any other person. Any law
21 enforcement officer having reason to believe a vehicle may have safety defects
22 shall have cause to stop the vehicle and inspect for safety defects. Should
23 the officer determine the vehicle is defective he shall issue to the operator
24 a safety compliance summons directing the operator to have the defect
25 corrected.

26 (b) Any certified police officer, upon reasonable cause to believe that
27 a motor vehicle is unsafe or not equipped as required by law or that its
28 equipment is not in proper adjustment or repair, require the driver of the
29 motor vehicle to stop and submit the vehicle to an inspection and such test as
30 may be appropriate.

31 (c) In the event the use of a vehicle in its present condition would,
32 in the reasonable judgement of the officer, endanger the life of any member of
33 the public, the officer may issue to the operator a citation for operating an
34 unsafe vehicle, and may require the vehicle to be parked at the owner's
35 expense and not operated until it is made safe.

36 (d) The intent of this section is to make the vehicle operator aware of

1 any vehicle safety defects and provide such operator a reasonable opportunity
2 to make necessary repairs without requiring the issuance of a citation which
3 may result in the levying of fines and court costs.

4
5 SECTION 10. Penalty for operating an unsafe vehicle. Any person found
6 guilty of operating an unsafe vehicle shall be subject to a fine of not less
7 than twenty-five dollars (\$25) nor more than two hundred and fifty dollars
8 (\$250).

9
10 SECTION 11. Certain vehicles required to be inspected on an annual
11 basis.

12 (a) Notwithstanding any provisions of this Act to the contrary,
13 commercial motor vehicles and vehicles transporting passengers, which vehicles
14 are required by federal law or regulation or state law or regulation to be
15 inspected, shall be inspected in accordance with such laws or regulations.

16 (b) The owner of a vehicle not required to be inspected under any
17 provision set forth in paragraph (a) of this section which requires a
18 commercial driver license to operate, and which is used for the purposes of
19 transporting passengers to and from school, church or church related
20 activities, child or adult day care facilities, senior citizen facilities, for
21 transporting persons with disabilities or any other vehicle required by
22 federal law to be inspected, shall cause such vehicle to be annually inspected
23 for safety and approved for operation. The vehicle owner shall deliver the
24 vehicle to a vehicle maintenance or repair facility regularly engaged in the
25 business of repairing and maintaining vehicles of the type required to be
26 inspected for safety, and request that the vehicle be inspected to determine
27 if the vehicle is in safe operating condition. The cost of the safety
28 inspection shall be an amount mutually agreed upon between the vehicle owner
29 and the owner or operator of the repair facility prior to performing the
30 inspection. Provided, however, the cost of such inspection shall not exceed
31 seventeen dollars and fifty cents (\$17.50).

32 (c) Upon completion of the inspection the person conducting the
33 inspection shall complete and give to the vehicle owner an inspection report,
34 on a form designated by the Director of the Arkansas State Police. Such
35 report shall be maintained in the vehicle at all times, and shall be provided
36 to any law enforcement officer for review or inspection upon request.

(d) It shall be the responsibility of the vehicle owner to obtain the necessary form. The form may be obtained from the Arkansas State Police or state revenue offices. Forms will also be provided by the Arkansas State Police to any vehicle maintenance or repair facility as requested. Forms will also be mailed by the Arkansas State Police to individuals upon request.

(e) Failure to comply with this section, or any rules or regulations promulgated by the Director of the Arkansas State Police for the purposes of carrying out the provisions of this section shall be a misdemeanor, and upon conviction shall be punishable by a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

(f) The Director of the Arkansas State Police shall promulgate regulations and prepare the necessary forms to carry out the provisions of this section. Such regulations shall include:

(1) The qualifications required of a motor vehicle maintenance or repair facility in order to perform vehicle inspections;

(2) The scope of the vehicle inspection and the procedure for conducting such inspections;

(3) The record keeping requirements for the vehicle inspection program;

(4) The procedures for documenting the correction of any safety defects identified during an annual inspection; and

(5) Any other provisions necessary for the effective administration of the vehicle inspection program.

SECTION 12. Ark. Code Ann. § 22-3-1225(a) is amended to read as follows:

"(a) The Arkansas Development Finance Authority shall establish in its records a trust fund to be entitled the Prison Construction Trust Fund. All moneys derived by or remitted to the authority, from the sale of annual license plate validation decals ~~certificates of inspection~~, pursuant to Ark. Code Ann. § 27-14-1015(c), shall be deposited to the credit of the Prison Construction Trust Fund. The moneys in the Prison Construction Trust Fund shall not be general funds or revenues of the authority and shall not be subject to the claims of the general creditors of the authority."

SECTION 13. Ark. Code Ann. § 22-3-1225(b) is amended to read as follows:

1 "(b) The Arkansas Development Finance Authority shall pay from the Prison
2 Construction Trust Fund into the Public Facilities Debt Service Fund created
3 by ~~§§~~19-5-932 and 22-3-1210 the amount necessary, when added to other funds
4 listed in ~~§~~ 22-3-1210, to pay the next-succeeding principal and interest
5 payment for the certificates of indebtedness, but not to exceed twenty-five
6 cents (25~~¢~~) times the number of annual license plate validation decals
7 ~~certificates of inspection~~ sold by the ~~authority through the~~ Department of
8 ~~Arkansas State Police~~ Finance and Administration in each six-month period.
9 Such payments shall be made by the authority semiannually two (2) business
10 days prior to each July 1 and January 1 so long as the certificates of
11 indebtedness permitted by the Public Facilities Finance Act of 1983 are
12 outstanding. All such payments by the authority to the Public Facilities Debt
13 Service Fund shall cease when the certificates of indebtedness have been paid
14 or redeemed."

15

16 SECTION 14. Ark. Code Ann. ~~§~~ 22-3-1225(d) is amended to read as
17 follows:

18 "(d) The Arkansas Development Finance Authority shall be authorized to
19 fund or to provide for the funding of facilities described in subdivisions
20 (c)(1)-(3) of this section by loans, leases, other contracts, or the issuance
21 of bonds all in accordance with the provisions of the Arkansas Development
22 Finance Authority Act, ~~§~~15-5-101 et seq., and to pledge the cash funds
23 ~~collected by it from the sale of~~ annual license plate validation decals
24 ~~certificates of inspection~~ and deposited in the Prison Construction Trust
25 Fund, after payment of the amounts as specified in subsection (b) of this
26 section to the repayment of any loans, leases, contracts, or bonds."

27

28 SECTION 15. Ark. Code Ann. Title 27, Chapter 14, Subchapter 6 is
29 amended by adding a new section to read as follows:

30 "27-14-607. Alternate Registration Procedures.

31 (a) The Director is authorized to allow vehicles to be registered for a
32 renewal period of two (2) years, if the Director determines that such two (2)
33 year renewal period would facilitate the vehicle registration process. If a
34 vehicle registration is renewed for a two (2) year period, the renewal fee
35 shall be twice the annual renewal fee for that vehicle, plus the cost of the
36 annual license plate validation decal for both years for that vehicle.

1 (b) The Director is authorized to provide for the registration of
2 vehicles by mail, telephone, electronically, or any other method which the
3 Director determines would facilitate the vehicle registration process."

5 SECTION 16. Ark. Code Ann. Title 27, Chapter 14, Subchapter 6 is hereby
6 amended to add a new section, to be Section 27-14-608, to read as follows:

7 "27-14-608. Payment by credit card.

8 (a) The Director is authorized to promulgate regulations providing for
9 payment by credit card of any fees or taxes due upon the issuance or renewal
10 of a vehicle registration, except a vehicle registration issued or renewed
11 under the provisions of §27-14-601(a)(3)(B) through §27-14-601(a)(3)(H) or the
12 provisions of §27-14-601(a)(3)(I)(i)(a)(2) through §27-14-
13 601(a)(3)(I)(i)(a)(4). The Director may allow the payment of these fees or
14 taxes by credit card if the Director determines that payment by credit card
15 would facilitate the administration of the motor vehicle registration program.

16 (b) The Director is authorized to enter into contracts with credit card
17 companies and to pay fees normally charged by those companies for allowing the
18 use of their credit cards as authorized by this section.

19 (c)(1) From the net proceeds received, or receivable, from credit card
20 companies for all fees or taxes paid by credit card, the Director shall pay
21 the full sum specified in §27-14-1015(d)(1) to the Arkansas Development
22 Finance Authority. The balance of the net proceeds received, or receivable,
23 from credit card companies shall be prorated to the various funds for which
24 they were collected and deposited into the State Treasury for transfer on the
25 last business day of each month, in the same manner and to be used for the
26 same purposes as all other fees and taxes collected upon the issuance or
27 renewal of vehicle registrations.

28 (2) Any amounts deducted from the gross proceeds of vehicle registration
29 fees or taxes paid by credit card, which are deducted for the purpose of
30 paying credit card company fees, shall be cash funds not subject to
31 appropriation and, if withheld by the Director, shall be remitted by the
32 Director to credit card companies as required under contracts authorized by
33 this Section."

35 SECTION 17. (a) From and after the effective date of this Act, the
36 Director of the Department of Finance and Administration shall cause to be

1 mailed to each vehicle owner in this state the following information:

2 (1) Notification of the requirement that each vehicle must be
3 assessed and personal property taxes must be paid annually;

4 (2) Notification of the procedure and time period for annual
5 assessment of personal property;

6 (3) Notification of the requirement that proof of liability
7 insurance is required and must be maintained at all times in the vehicle;

8 (4) Notification of the penalties contained in Arkansas law for;
9 (A) failure to assess the vehicle or pay personal property
10 taxes due;

11 (B) failure to maintain liability insurance coverage on the
12 vehicle; and

13 (C) operation of an unsafe vehicle.

14 (b) The Director may comply with the requirements set forth in (a)
15 of this section by including the information in the annual vehicle
16 registration renewal notice sent to each vehicle owner.

17 (c) The Director shall also cause to displayed, in conspicuous
18 fashion, at each Revenue Office in this state, the information set forth in
19 (a) of this section.

20 (d) The Director shall also, not later than the effective date of
21 this Act, provide such notice as is set forth in (a), as well as the new
22 procedures, to all new and used vehicle dealers in this state.

23

24 SECTION 18. Arkansas Code Ann. § 19-6-301(37) is repealed.

25 ~~— (37) Motor vehicle inspection permits, as enacted by Act 638 of 1967,~~
26 ~~and all laws amendatory thereto, §§ 27-32-101 — 27-32-116.~~

27

28 Section 19. The Director of the Department of Finance and Administration
29 shall have the authority to promulgate such regulations as are necessary to
30 implement and administer the provisions of this Act.

31

32 Section 20. (a) During the 1997-99 Biennium loans to the State Central
33 Services Fund shall be made from the Budget Stabilization Trust Fund, in
34 amounts to be determined by the Chief Fiscal Officer of the State, for the
35 purpose of establishing a statewide personal property tax network. Loans to
36 the State Central Services Fund during the biennium ending June 30, 1999 shall

1 be repaid to the Budget Stabilization Trust Fund on or before June 30, 2000.

2 (b) Loans may be made to the State Central Services Fund from the Budget
3 Stabilization Trust Fund for such purposes after July 1, 1999, provided,
4 however, such loans must be repaid on or before the close of business of the
5 fiscal year in which such loans are made.

6
7 SECTION 21. The provisions of this Act shall be effective on and after
8 January 1, 1998.

9
10 SECTION 22. All provisions of this act of a general and permanent
11 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
12 Code Revision Commission shall incorporate the same in the Code.

13
14 SECTION 23. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.

19
20 SECTION 24. All laws and parts of laws in conflict with this act are
21 hereby repealed.

22 /s/Walters, et al
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