

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 1489

4
5 By: Representative Elliott
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For An Act To Be Entitled

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9 "AN ACT TO REPEAL ARKANSAS CODE 27-14-806 WHICH ALLOWS
10 LIENHOLDERS THE OPTION TO DIRECTLY PERFECT THEIR LIENS
11 WITH THE OFFICE OF MOTOR VEHICLE PRIOR TO THE
12 PURCHASER APPLYING FOR A CERTIFICATE OF TITLE; AND FOR
13 OTHER PURPOSES. "

Subtitle

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16 "TO REPEAL THE FILING OF DIRECT VEHICLE
17 LIENS. "

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

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22 SECTION 1. Arkansas Code 27-14-806 is repealed.

23 ~~27-14-806. Optional means of recording.~~

24 ~~_____ (a)(1)(A) At his option, a lienholder may:~~

25 ~~_____ (i) Record the lien on the manufacturer's statement of origin; or~~

26 ~~_____ (ii) Record the lien on an existing certificate of title; and~~

27 ~~_____ (B) File with the Revenue Division of the Department of Finance and~~
28 ~~Administration a certified copy of the instrument creating and evidencing the~~
29 ~~lien or encumbrance.~~

30 ~~_____ (2) He shall remit therewith a fee of one dollar (\$1.00) for each lien~~
31 ~~to be filed.~~

32 ~~_____ (3) The recording and filing shall constitute constructive notice of~~
33 ~~the lien against the vehicle described therein to creditors of the owner,~~
34 ~~subsequent purchasers, and encumbrancers, except those liens as are by law~~
35 ~~dependent upon possession.~~

36 ~~_____ (4) A photocopy of the manufacturer's statement of origin or of such~~

1 ~~existing certificate of title or of ownership, showing the lien recorded~~
 2 ~~thereon and certified as a true and correct copy by the party recording the~~
 3 ~~lien, shall be sufficient evidence of the recording.~~

4 ~~—— (b) The lien shall be deemed perfected and the constructive notice~~
 5 ~~shall be effective from the date of the execution of the instrument creating~~
 6 ~~and evidencing the lien or encumbrance if it is filed as authorized in this~~
 7 ~~section within thirty (30) days after the date of the execution thereof. If~~
 8 ~~the instrument is filed more than thirty (30) days after the date of the~~
 9 ~~execution thereof, the lien shall be deemed perfected and the constructive~~
 10 ~~notice shall date from the time of the filing of the instrument. However, the~~
 11 ~~filing of a lien under the provisions of this section by the lienholder and~~
 12 ~~the payment of the fee therefor shall in no way relieve any person of the~~
 13 ~~obligation of paying the fee required by law for filing a lien to be evidenced~~
 14 ~~on a certificate of title of a motor vehicle.~~

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 16 SECTION 2. Arkansas Code 27-14-903(d) is amended to read as follows:

17 “(d) This section is not intended to limit the rights of a lienholder
 18 to perfect or record his security interest in a motor vehicle pursuant to the
 19 provisions of §§ 27-14-802 ~~and 27-14-806.~~”

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 21 SECTION 3. Arkansas Code 27-14-906(e) is amended to read as follows:

22 “(e) If the failure of a motor vehicle dealer or other lienholder to
 23 comply with the provisions of § 27-14-802 ~~or § 27-14-806~~ results in such motor
 24 vehicle dealer or lienholder holding an unperfected security interest in the
 25 motor vehicle, no action shall lie against the Department of Finance and
 26 Administration for any damages resulting from such failure to perfect a
 27 security interest.”

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 29 SECTION 4. All provisions of this act of a general and permanent nature
 30 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 31 Revision Commission shall incorporate the same in the Code.

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 33 SECTION 5. If any provision of this act or the application thereof to
 34 any person or circumstance is held invalid, such invalidity shall not affect
 35 other provisions or applications of the act which can be given effect without
 36 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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

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