

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

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

As Engrossed: H3/10/99 H3/17/99

## A Bill

HOUSE BILL 1808

4  
5 By: Representatives Simmons, T. Smith  
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### For An Act To Be Entitled

8  
9 "AN ACT TO AMEND ARKANSAS CODE 27-14-909 PERTAINING TO  
10 THE RELEASE OF LIENS ON MOTOR VEHICLES; AND FOR OTHER  
11 PURPOSES. "

### Subtitle

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14 "TO AMMEND ARKANSAS CODE 27-14-909  
15 PERTAINING TO THE RELEASE OF LIENS ON  
16 MOTOR VEHICLES. "

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18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code 27-14-909 is amended to read as follows:

22 "27-14-909. Release of lien by lienholder - Disclosure of information.

23 (a) For purposes of this section, a lien or encumbrance shall be  
24 satisfied when the lienholder receives payment in full. Upon the satisfaction  
25 of a security interest in any lien or encumbrance on a vehicle for which the  
26 certificate of title is in the possession of the lienholder, he such  
27 lienholder shall, within ten (10) business days after demand receipt of  
28 payment in full by certified funds and, in any event, within thirty (30)  
29 business days after receipt of payment in full by non-certified funds, execute  
30 a release of his security interest such lien or encumbrance in the space  
31 provided therefor on the certificate of title, or as the office prescribes,  
32 and mail or deliver the certificate and release to the next lienholder named  
33 therein or, if none, to the owner or any person who delivers to the lienholder  
34 an authorization from the owner to receive the certificate. Certified funds  
35 for purposes of this Act shall mean cashier's checks, or certified checks as  
36 defined in Ark. Code Ann. § 4-3-409(d).

1           (b) Upon the satisfaction of a ~~security interest in~~ lien or encumbrance  
2 on a vehicle for which the certificate of title is in the possession of a  
3 prior lienholder, the lienholder whose ~~security interest~~ lien or encumbrance  
4 is ~~satisfied~~ payed in full shall, within ten (10) business days after ~~demand~~  
5 receipt of payment in full by certified funds, and, ~~in any event,~~ within  
6 thirty (30) business days after receipt of payment in full by non-certified  
7 funds, execute a release in the form the office prescribes and deliver the  
8 release to the owner or any person who delivers to the lienholder an  
9 authorization from the owner to receive it.

10           (c) This act shall not be construed to apply to manufactured housing or  
11 mobile homes.

12           ~~(c)~~(d) A lienholder named in a certificate of title shall, upon written  
13 request of the owner or of another lienholder named on the certificate,  
14 disclose any pertinent information as to his security agreement and the  
15 indebtedness secured by it.

16           (e) Any lienholder who fails to comply with subsection (a) or (b) of  
17 this section shall pay to the person or person satisfying the lien or  
18 encumbrance twenty-five dollars (\$25.00) for the first five (5) business days  
19 after expiration of the time period prescribed in subsection (a) of this  
20 section, and such payment shall double for each five (5) days thereafter in  
21 which there is continued noncompliance, up to a maximum of five hundred  
22 dollars (\$500) for each lien. If delivery of the certificate of title is by  
23 mail, the delivery date is the date of the postmark for purposes of this  
24 subsection."

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26           SECTION 2. All provisions of this act of a general and permanent nature  
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
28 Revision Commission shall incorporate the same in the Code.

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30           SECTION 3. If any provision of this act or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the act which can be given effect without  
33 the invalid provision or application, and to this end the provisions of this  
34 act are declared to be severable.

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36           SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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3 SECTION 5. EMERGENCY CLAUSE. It is hereby found and determined by the  
4 Eighty-second General Assembly that the failure of lienholders to release  
5 liens and encumbrances on motor vehicles in a timely manner after satisfaction  
6 of such liens or encumbrances is injurious to the motor vehicle dealers of  
7 this state and interrupts the flow of commerce in this state; that there is  
8 currently no statutory provision to require lienholders to release liens or  
9 encumbrances on motor vehicles in a timely manner upon satisfaction of such  
10 lien or encumbrance by payment in full; and that until lienholders are  
11 required to release liens or encumbrances on motor vehicles in a timely  
12 manner, the motor vehicle dealers of this state will continue to be injured.  
13 Therefore, an emergency is declared to exist and this act being immediately  
14 necessary for the preservation of the public peace, health and safety shall  
15 become effective on the date of its approval by the Governor. If the bill is  
16 neither approved nor vetoed by the Governor, it shall become effective on the  
17 expiration of the period of time during which the Governor may veto the bill.  
18 If the bill is vetoed by the Governor and the veto is overridden, it shall  
19 become effective on the date the last house overrides the veto.

20 /s/ Simmons, et al