

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H3/16/05

A Bill

HOUSE BILL 2415

5 *By: Representatives Overbey, Mahony, Bolin*
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE PROCEDURE FOR ISSUANCE AND
10 USE OF MOTOR VEHICLE DEALER'S LICENSE PLATES; AND
11 FOR OTHER PURPOSES.
12

Subtitle

13 AMENDS THE PROCEDURE FOR ISSUANCE AND
14 USE OF MOTOR VEHICLE DEALER'S LICENSE
15 PLATES.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 27-14-601(a)(6), concerning the
22 registration of motor vehicle dealers, is amended as follows:

23 (6) Dealers.

24 (A) A "dealer", for the purposes of this subdivision
25 (a)(6), means a person, firm, or corporation engaged in the business of
26 buying and selling vehicles subject to registration in this state.

27 (B)(i) As a condition precedent to obtaining dealer's
28 license plates, the dealer shall furnish the director a certification that
29 the applicant is a vehicle dealer and has a bona fide, established place of
30 business used for the sale of vehicles, an office used for that business, a
31 telephone listed in the name of the business, and a sign identifying the
32 establishment. Certification shall be required for all renewals of dealer
33 license plates. This dealer certification shall not apply to dealers licensed
34 by the Department of Arkansas State Police, the Arkansas Motor Vehicle
35 Commission, or the Arkansas Manufactured Home Commission and who are
36 regulated by those authorities. The dealer certification shall consist of



1 completion of a self-certification form prepared by the Office of Motor
2 Vehicle.

3 (ii)(a) Upon furnishing the certification to the
4 director, or a copy of the dealer's license from either the Department of
5 Arkansas State Police or the Arkansas Motor Vehicle Commission and the
6 payment of a fee of one hundred dollars (\$100), the dealer shall be issued a
7 master license plate and upon the payment of a fee of twenty-five dollars
8 (\$25.00) shall be issued a dealer's extra license plate as provided in § 27-
9 14-1704. There is no limit to the number of dealer's extra license plates
10 that may be purchased by a dealer. However, the dealer must secure a master
11 license plate for each separate place of business.

12 (b) No more than one (1) dealer's extra
13 license plate shall be issued for each manager, sales manager, or salesperson
14 of the dealer as authorized under § 27-14-1704.

15 (c) Notwithstanding any other provision of
16 this chapter, the Office of Motor Vehicle shall provide distinctive dealer's
17 license plates for motorcycles. Motorcycle dealers shall not be provided and
18 shall not be authorized to use dealer's license plates designed for any motor
19 vehicle other than a motorcycle.

20 (iii)(a) Upon furnishing certification to the
21 director or a copy of the dealer's license from the Arkansas Manufactured
22 Home Commission and upon the payment of fifty dollars (\$50.00), the
23 manufactured home dealer shall be issued certification from the director for
24 the purpose of assigning manufactured home titles.

25 (b) Each location shall be treated as a
26 separate entity, and certification by the department shall be required for
27 each location.

28 (c) Notwithstanding any other provision of
29 this chapter, the Office of Motor Vehicle shall provide distinctive dealer's
30 license plates for manufactured homes. Manufactured home dealers shall not
31 be provided and shall not be authorized to use dealer's license plates
32 designed for a motor vehicle, motorcycle, or anything other than a
33 manufactured home.

34 (C) When a dealer's master license plate or extra license
35 plate is attached to any dealer-owned motor vehicle, the motor vehicle may be
36 used by the dealer, a manager, a sales manager, or a salesperson employed by

1 the dealership to drive to or from work and for personal or business trips
2 inside or outside the dealer's county of residence.

3 (D) In addition to any other penalty prescribed by this
4 chapter, ~~Any~~ any dealer, manager, sales manager, or salesperson of the dealer
5 who pleads guilty or nolo contendere to or who is found guilty of the misuse
6 of a dealer's master license plate or dealer's extra license plate or of
7 allowing anyone else to misuse a dealer's master license plate or dealer's
8 extra license plate shall be fined not more than two hundred fifty dollars
9 (\$250) for the first offense, not more than five hundred dollars (\$500) for
10 the second offense, and not more than one thousand dollars (\$1000) for the
11 third and subsequent offenses.

12
13 SECTION 2. Arkansas Code § 27-14-1701 is amended as follows:

14 27-14-1701. Operation of vehicles under special plates.

15 (a) A manufacturer or dealer owning any vehicle of a type otherwise
16 required to be registered under this chapter may operate or move it upon the
17 highways solely for purposes of transporting, ~~testing, demonstrating, or~~
18 ~~selling~~ it without registering each vehicle, upon condition that any such
19 vehicle display, ~~in the manner prescribed in § 27-14-716,~~ a special plate
20 temporary cardboard tag issued to the owner as provided in this subchapter.

21 (b) A transporter may operate or move any vehicle of like type upon
22 the highways solely for the purpose of delivery, upon ~~likewise~~ displaying a
23 ~~similar~~ special plate issued to him or her as provided in this subchapter.

24 (c) The provisions of this subchapter shall not apply to work or
25 service vehicles owned by a manufacturer, transporter, or dealer.

26 (d) The Director of the Department of Finance and Administration shall
27 provide the specifications, form, and color of the special temporary
28 cardboard tag required under this section.

29 (e) In addition to any other penalty prescribed by this
30 chapter, any dealer, manager, sales manager, or salesperson of
31 the dealer, or manufacturer who pleads guilty or nolo contendere
32 to or who is found guilty of the misuse of a special temporary
33 cardboard tag issued under this section, or of allowing anyone
34 else to misuse a special temporary cardboard tag shall be fined
35 not more than two hundred fifty dollars (\$250) for the first
36 offense, not more than five hundred dollars (\$500) for the

1 second offense, and not more than one thousand dollars (\$1,000)
2 for the third and subsequent offenses.

3
4 SECTION 3. Arkansas Code § 27-14-1702 is amended as follows:

5 27-14-1702. Application for and issuance of certificates and special
6 plates.

7 (a) Any manufacturer, transporter, or dealer may make application to
8 the office, upon the appropriate form, for a certificate containing a general
9 distinguishing number and for one (1) or more pairs of special plates, ~~or~~
10 single special plates, or special temporary cardboard tags, as appropriate,
11 subject to § 27-14-1701 and § 27-14-1704, to various types of vehicles
12 subject to registration under this chapter. The applicant shall also submit
13 proof of his or her status as a bona fide manufacturer, transporter, or
14 dealer, as may reasonably be required by the office.

15 (b) The office, upon granting any such application, shall issue to the
16 applicant a certificate containing the applicant's name and address and the
17 general distinguishing number assigned to the applicant.

18 (c)(1) The office shall also issue a special plate, ~~or~~ plates, or
19 special temporary cardboard tags as applied for, which shall have displayed
20 thereon the general distinguishing number assigned to the applicant.

21 (2) Each plate, ~~or~~ pair of plates, or special temporary
22 cardboard tags so issued shall also contain a number or symbol identifying it
23 or them from every other plate, ~~or~~ pair of plates, or special temporary
24 cardboard tags bearing the same general distinguishing number.

25
26 SECTION 4. Arkansas Code Title 27, Chapter 14, Subchapter 17 is
27 amended to add additional sections to read as follows:

28 27-14-1704. Dealer's extra license plates.

29 (a) Each dealer as defined in § 27-14-601(a)(6) shall furnish the
30 Director of Department of Finance and Administration with a list of each
31 manager, sales manager, or salesperson authorized to operate a motor vehicle
32 to which a dealer's extra license plate issued to the dealer has been or will
33 be attached:

34 (1) Upon initial application for dealer's extra license plates
35 as provided in § 27-14-1702; and

36 (2) Upon renewal of dealer's extra license plates as provided in

1 § 27-14-1703.

2 (b) The dealer's extra license plate may be used only for the purposes
3 of driving to or from work and for personal or business trips inside or
4 outside the dealer's county of residence.

5 (c) Neither the dealer's extra license plate issued under this section
6 nor the dealer's master plate issued under § 27-14-601(a)(6) shall be used
7 for purposes of demonstrating a vehicle or allowing a prospective buyer to
8 test drive a vehicle.

9 (d) In addition to any other penalty prescribed by this chapter, any
10 dealer, manager, salesperson, or employee of a dealer who pleads guilty or
11 nolo contendere to or who is found guilty of the misuse of a dealer's extra
12 license plate or dealer's master plate or of allowing anyone else to misuse a
13 dealer's extra license plate or dealer's master plate shall be fined not more
14 than two hundred fifty dollars (\$250) for the first offense, not more than
15 five hundred dollars (\$500) for the second offense, and not more than one
16 thousand dollars (\$1,000) for the third and subsequent offenses.

17
18 27-14-1705. Temporary cardboard buyer's tags.

19 (a) A dealer shall issue to a person who buys an unregistered vehicle
20 one (1) temporary cardboard buyer's tag for the vehicle.

21 (b)(1) The temporary cardboard buyer's tag is valid for the operation
22 of the vehicle until the earlier of:

23 (A) The date on which the vehicle is registered; or

24 (B) The thirtieth day after the date of purchase.

25 (2) If the date a transferee of a motor vehicle must register
26 the vehicle is extended under § 27-14-903(a)(1), the dealer may issue one (1)
27 additional temporary cardboard buyer's tag to the transferee, to expire
28 thirty (30) days from the date the additional temporary cardboard buyer's tag
29 was issued.

30 (c)(1) The dealer shall show in ink on the temporary cardboard buyer's
31 tag the actual date of sale and any other information required by the
32 Director of the Department of Finance and Administration.

33 (2) The dealer shall be responsible for affixing the temporary
34 cardboard buyer's tag to the vehicle as provided in this section.

35 (d) The temporary cardboard buyer's tag under this section shall be
36 placed at the location provided for the permanent motor vehicle license

1 plate.

2 (e) The dealer is responsible for the safekeeping and distribution of
3 each temporary cardboard buyer's tag that the dealer obtains from the
4 director.

5 (f) The director shall provide the specifications, form, and color of
6 the temporary cardboard buyer's tag.

7 (g)(1)(A) The dealer shall be responsible for paying to the director a
8 fee of one dollar (\$1.00) for each temporary cardboard buyer's tag and shall
9 pass this fee on to the buyer to whom the tag was issued.

10 (A) The fee shall be collected by the director before
11 issuance of the temporary cardboard buyer's tag to the dealer.

12 (2) The gross receipts or gross proceeds derived from the sale
13 or issuance of temporary cardboard buyer's tags under this section shall be
14 exempt from the Arkansas gross receipts tax levied by the Arkansas Gross
15 Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas compensating use
16 tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
17 and any other state or local tax administered under those chapters.

18 (3) All fees collected by the director under this section shall
19 be deposited into the State Treasury and the Treasurer of State shall credit
20 them as general revenues to the General Revenue Fund Account of the State
21 Apportionment Fund.

22 (h) For each temporary cardboard buyer's tag provided to a buyer by
23 the dealer, the dealer shall retain documentation containing:

24 (1) The dealer's name;

25 (2) The buyer's name;

26 (3) The date the temporary cardboard buyer's tag was issued;

27 (4) The vehicle's vehicle identification number;

28 (5) The make and model of the vehicle; and

29 (6) The expiration date of the temporary cardboard buyer's tag.

30 (i) Any dealer, manager, salesperson, or employee of the dealer who
31 pleads guilty or nolo contendere to or who is found guilty of the misuse of a
32 temporary cardboard buyer's tag or of allowing anyone else to misuse a
33 temporary cardboard buyer's tag shall be fined not more than two hundred
34 fifty dollars (\$250) for the first offense, not more than five hundred
35 dollars (\$500) for the second offense, and not more than one thousand dollars
36 (\$1,000) for the third and subsequent offenses.

1 (j) This section shall not apply to an owner or lessee of a registered
2 motor vehicle who elects to display a license plate on a replacement motor
3 vehicle under § 27-14-902(a)(3)(B).

4
5 27-14-1706. Vehicles provided for purposes of demonstration or for
6 repair customers.

7 (a) A dealer may allow a prospective buyer or customer to drive an
8 unregistered vehicle:

9 (1) To demonstrate or to allow a prospective buyer to test drive
10 the vehicle for sale purposes for a period not to exceed seventy-two (72)
11 hours; or

12 (2) As a loaner vehicle for a customer while the customer's
13 vehicle is being repaired in the dealer's shop for a period not to exceed
14 fourteen (14) calendar days.

15 (b)(1)(A) The dealer shall issue to the prospective buyer or customer
16 one (1) temporary cardboard tag for the vehicle to be placed at the location
17 provided for the permanent motor vehicle license plate.

18 (B) The Director of the Department of Finance and
19 Administration shall provide the specifications, form, and color of the
20 temporary cardboard tag.

21 (2) If the date on which the prospective buyer or customer is
22 required to return the vehicle to the dealer falls on Saturday, Sunday, or a
23 legal holiday on which the dealer is not open for business, then the
24 prospective buyer or customer will have until the next succeeding business
25 day that is not a Saturday, Sunday, or legal holiday to return the vehicle
26 and still be in compliance with this section.

27 (c) When a dealer provides an unregistered vehicle to a prospective
28 buyer or customer under this section, the dealer shall complete and keep in
29 his or her possession an information sheet containing:

30 (1) The year, make, and model of the vehicle;

31 (2) The vehicle identification number;

32 (3) The prospective buyer's or customer's name;

33 (4) The time and date that the temporary cardboard tag was
34 issued to the prospective buyer or customer;

35 (5) The reason the vehicle was furnished to the prospective
36 buyer or customer; and

1 (6) The length of time the prospective buyer or customer may
2 retain the vehicle.

3 (d) The requirements of this section shall not apply if the
4 prospective buyer or customer is required to return the vehicle before the
5 end of the business day upon which the vehicle was provided to the
6 prospective buyer or customer.

7 (e) The Director of the Department of Finance and Administration shall
8 provide the specifications, form, and color of the information sheet to be
9 used by dealers under this section.

10 (f)(1) The dealer is required to keep and maintain a copy of each
11 information sheet executed under the terms of this section within the State
12 of Arkansas for at least six (6) years from the date that the information
13 sheet was executed.

14 (2) These records are subject to examination by the director at
15 any reasonable time.

16 (g) Any dealer who violates this section shall be fined the amount of
17 twenty-five dollars (\$25.00) per violation.

18
19 27-14-1707. Authority to promulgate rules.

20 In addition to the authority provided in § 27-14-403, the Director of
21 the Department of Finance and Administration may promulgate, adopt, and
22 enforce such rules as may be necessary to carry out this subchapter.

23
24 SECTION 5. Arkansas Code § 27-14-305, concerning the penalty for using
25 or making unofficial license plates, is amended to read as follows:

26 (a) It shall be unlawful for the owner of any automobile, Class One
27 truck, trailer or semitrailer, motorcycle, or motorcycle sidecar to display
28 any license ~~plates~~ plate on the rear of the vehicle that ~~are~~ is not furnished
29 by the Director of the Department of Finance and Administration.

30 (b)(1) It shall be unlawful for any person, firm, or corporation to
31 reproduce or paint any license plate or registration card in this state.

32 (2) For purposes of this section, "license plate" means any
33 plate designed to be affixed to the rear of a motor vehicle, including, but
34 not limited to, plates advertising a new or used car dealership or other type
35 of business, rental car company identification plates, or any plate or card
36 with the designation "TAG APPLIED FOR" or any similar designation.

1 (c) Any person, firm, or corporation violating the provisions of this
2 section shall be deemed guilty of a misdemeanor and, upon conviction, shall
3 be fined in any sum not less than one hundred dollars (\$100) nor more than
4 five hundred dollars (\$500).

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6 SECTION 6. EFFECTIVE DATE. This act shall become effective January 1,
7 2006.

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9 /s/ Overbey, et al
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