

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

# A Bill

HOUSE BILL 2718

4  
5 By: Representative Childers  
6  
7

## For An Act To Be Entitled

8 AN ACT TO RESTRICT THE TITLING OF DAMAGED MOTOR  
9 VEHICLES; AND FOR OTHER PURPOSES.  
10

### Subtitle

11 AN ACT TO RESTRICT THE TITLING OF  
12 DAMAGED MOTOR VEHICLES.  
13  
14  
15  
16

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

19 SECTION 1. Arkansas Code Title 27, Chapter 14, is amended to add a new  
20 subchapter:

21 27-14-2501. Legislative intent.

22 The purpose of this subchapter is to further law enforcement activities  
23 related to fraud and motor vehicle theft prevention and to provide notice to  
24 the public of motor vehicles being declared a total loss through the  
25 certificate of title process.  
26

27 27-14-2502. Definitions.

28 As used in this subchapter:

29 (1) "Burned vehicle" means a motor vehicle that:

30 (A) Is required to be registered; and

31 (B) Is damaged by fire to the extent that the cost of  
32 repair at retail measured just prior to the fire is seventy percent (70%) or  
33 more of the average retail value of the motor vehicle as found in the  
34 National Automobile Dealers Association Official Price Guide or other source  
35 approved by the Department of Finance and Administration;

36 (2)(A) "Dealer" means any person or business that sells or



1 offers for sale a motor vehicle after selling or offering for sale five (5)  
 2 or more motor vehicles in the previous twelve (12) months or that is a new or  
 3 used motor vehicle dealer licensed by or with the State of Arkansas.

4 (B) Persons or businesses that operate as salvage vehicle  
 5 pools or salvage vehicle auctions are not dealers under this subchapter when  
 6 selling vehicle parts to a dealer;

7 (3)(A) "Junk vehicle" means a motor vehicle that:

8 (i) Is required to be registered;

9 (ii) Either the owner or insurer declares to be a  
 10 junk vehicle; and

11 (iii) Is damaged as a result of an occurrence to the  
 12 extent that the cost of repair at retail measured just prior to the  
 13 occurrence is seventy percent (70%) or more of the average retail value of  
 14 the motor vehicle as found in the National Automobile Dealers Association  
 15 Official Price Guide or other source approved by the Department of Finance  
 16 and Administration.

17 (B) "Junk vehicle" also means a burned vehicle to which an  
 18 insurer takes title;

19 (4) "Junk vehicle title" means a title indicating that the motor  
 20 vehicle is a junked vehicle and will never be operated on the public roads  
 21 and highways of this state or any other state;

22 (5)(A) "Motor vehicle" means every self-propelled vehicle  
 23 required to be registered, except motorcycles, motor-driven cycles, or all-  
 24 terrain vehicles.

25 (B) "Motor vehicle" does not mean snowmobiles, personal  
 26 assistive mobility devices, and trucks with an unladen weight of ten thousand  
 27 pounds (10,000 lbs.) or more in, upon, or by which any person or property is  
 28 or may be transported upon a street or highway;

29 (6) "Occurrence" means the event which caused the motor vehicle  
 30 to become damaged and includes collision, theft, vandalism, storm, or flood;

31 (7) "Older vehicle" means a motor vehicle required to be  
 32 registered whose model year is at least seven (7) years prior to the calendar  
 33 year of the occurrence;

34 (8) "Prior salvage vehicle" means a motor vehicle that:

35 (A) Is required to be registered, other than a burned  
 36 vehicle, a junk vehicle, an older vehicle, or a salvage vehicle; and

1                   (B) Was a salvage vehicle prior to being repaired,  
 2 rebuilt, or restored;

3                   (9) "Prior salvage vehicle title" means a title issued under §  
 4 27-14-2505 on a motor vehicle required to be registered that was previously  
 5 titled under a salvage vehicle title;

6                   (10) "Salvage vehicle" means a motor vehicle that:

7                   (A) Is required to be registered, other than a burned  
 8 vehicle, a junk vehicle, or an older vehicle; and

9                   (B)(i) Is damaged by collision, theft, vandalism, storm,  
 10 flood, or other occurrence to the extent that the cost of repair at retail  
 11 measured just prior to the occurrence is seventy percent (70%) or more of the  
 12 average retail value of the motor vehicle as found in the National Automobile  
 13 Dealers Association Official Price Guide or other source approved by the  
 14 Department of Finance and Administration; or

15                   (ii) Is water-damaged;

16                   (11) "Salvage vehicle title" means a title issued to the owner  
 17 of a salvage vehicle; and

18                   (12) "Water-damaged" means damage to a motor vehicle caused by  
 19 submerging or partially submerging the motor vehicle in water to the extent  
 20 that the motor vehicle was submerged or partially submerged at any water  
 21 level above the dashboard of the motor vehicle, regardless of the actual  
 22 dollar amount of the damage.

23  
 24                   27-14-2503. Operation of junk vehicles prohibited.

25                   The operation of a motor vehicle with a junk vehicle title upon any  
 26 public road or highway in this state or any other state is prohibited.

27  
 28                   27-14-2504. Surrender of title and issuance of salvage vehicle title.

29                   (a)(1) When an insurer acquires the ownership of a salvage vehicle for  
 30 which a salvage vehicle title has not been issued, the insurer shall  
 31 surrender the certificate of title for the motor vehicle to the Department of  
 32 Finance and Administration within thirty (30) days following acquisition of  
 33 the certificate of title to the motor vehicle.

34                   (2) Upon payment by the insurer of the appropriate fee for  
 35 registration and issuance of title, the department shall issue a salvage  
 36 vehicle title to the insurer.

1       (b)(1) If a person other than an insurer owns a salvage vehicle for  
2 which a salvage title has not been issued, the owner shall surrender the  
3 certificate of title for the motor vehicle to the department within thirty  
4 (30) days following the date that the motor vehicle became a salvage vehicle.

5               (2) Upon payment of the appropriate fee for registration and  
6 issuance of title, the department shall issue a salvage vehicle title to the  
7 owner.

8       (c)(1) If a person other than an insurer acquires ownership of a  
9 salvage vehicle after the time it becomes a salvage vehicle but prior to the  
10 issuance of a salvage vehicle title, the owner shall surrender the  
11 certificate of title to the motor vehicle to the department within thirty  
12 (30) days following the date of acquisition of the certificate of title to  
13 the motor vehicle.

14               (2) Upon payment of the appropriate fee for registration and  
15 issuance of title, the department shall issue a salvage vehicle title to the  
16 owner.

17       (d)(1) If a motor vehicle is damaged to the extent that the cost of  
18 repair at retail is seventy percent (70%) or more of the fair market value  
19 just prior to the occurrence but the owner does not take title to a salvage  
20 vehicle, the insurer shall notify the department that the motor vehicle is a  
21 salvage vehicle.

22               (2)(A) After the notification required under subdivision (d)(1)  
23 of this section, the department shall attach a note or stamp to any copy of a  
24 title issued by the department or to any reissued or changed title.

25               (B) The note or stamp shall state that the motor vehicle  
26 is a salvage vehicle until the owner of the motor vehicle surrenders the  
27 certificate of title on the motor vehicle and a salvage vehicle title or  
28 prior salvage vehicle title is issued by the department.

29       (e)(1) A salvage vehicle title shall contain the words "Salvage  
30 Vehicle Title".

31               (2) Once issued, a salvage vehicle title shall always remain on  
32 the motor vehicle unless a prior salvage vehicle title or junk vehicle title  
33 is obtained.

34       (f) In lieu of receiving a salvage vehicle title, the owner or insurer  
35 of the salvage vehicle may request that a junk vehicle title be issued under  
36 § 27-14-2506.

1  
2 27-14-2505. Rebuilt or reconstructed salvage vehicles.

3 (a)(1) When any motor vehicle on which was issued a salvage vehicle  
4 title or similar branded title by another state is rebuilt or reconstructed,  
5 the owner shall make application to the Department of Finance and  
6 Administration within ten (10) working days for the registration and issuance  
7 of a new certificate of title to the motor vehicle.

8 (2) The application shall be accompanied by:

9 (A) The salvage vehicle title or similar title issued by  
10 another state;

11 (B) A fee in the amount prescribed by law for the  
12 registration and issuance of a certificate of title; and

13 (C)(i) A sworn statement executed by the rebuilder or  
14 restorer on a form prescribed by the department.

15 (ii) The statement shall describe the types of  
16 repairs performed on the motor vehicle and list all parts replaced, including  
17 the vehicle identification or other identifying number of any parts bearing  
18 such a number.

19 (b)(1) Upon receipt of the salvage vehicle title or similar title  
20 issued by another state and the sworn statement required to be submitted by  
21 subsection (a) of this section, the department shall issue a prior salvage  
22 vehicle title containing the words "Prior Salvage Vehicle Title".

23 (2) Once issued, a prior salvage vehicle title shall always  
24 remain on the motor vehicle unless a junk vehicle title is issued.

25 (c) The sworn statement submitted pursuant to subsection (a) of this  
26 section shall be maintained by the department as a part of the permanent  
27 title record of the motor vehicle, and the information contained in the  
28 record shall be made available to any prospective buyer or transferee upon  
29 request.

30  
31 27-14-2506. Junk vehicle title -- Burned vehicles.

32 (a)(1) An owner or insurer of a motor vehicle may surrender any type  
33 of certificate of title of a motor vehicle to the Department of Finance and  
34 Administration and request a junk vehicle title.

35 (2) Upon payment of the appropriate fee for registration and  
36 issuance of title, the department shall issue a junk vehicle title to the

1 owner or insurer.

2 (b)(1) As part of a total-loss settlement of a claim, an insurer shall  
 3 take the certificate of title to any burned vehicle and within thirty (30)  
 4 days of receipt of the certificate of title shall surrender the certificate  
 5 of title of that motor vehicle to the department.

6 (2) Upon payment of the appropriate fee for registration and  
 7 issuance of title, the department shall issue a junk vehicle title to the  
 8 insurer.

9 (c)(1) If an insurer declares a motor vehicle to be a burned vehicle  
 10 but can not obtain the certificate of title to the motor vehicle, the insurer  
 11 shall notify the department that the motor vehicle is a junk vehicle.

12 (2)(A) After the notification required under subdivision (c)(1)  
 13 of this section, the department shall attach a note or stamp to any copy of a  
 14 title issued by the department or to any reissued or changed title.

15 (B) The note or stamp shall state that the motor vehicle  
 16 is a junk vehicle until such time as the owner of the motor vehicle  
 17 surrenders the certificate of title on the motor vehicle and a junk vehicle  
 18 title is issued by the department.

19 (d)(1) A junk vehicle title cannot be changed to any other type of  
 20 title.

21 (2) A junk vehicle title shall contain the words "Junk Vehicle  
 22 Title".

23 (3) Once issued, a junk vehicle title shall always remain on the  
 24 motor vehicle.

25  
 26 27-14-2507. Salvage vehicles or junk vehicles -- Other state title or  
 27 occurrence.

28 (a) If either a motor vehicle titled in this state because of an  
 29 occurrence outside of this state or a motor vehicle titled in another state  
 30 because of an occurrence in this state becomes a salvage vehicle, a prior  
 31 salvage vehicle, or a junk vehicle, then the owner or insurer of the motor  
 32 vehicle shall in the same manner and within the same time limits contained in  
 33 §§ 27-14-2504 – 27-14-2506 surrender the certificate of title for the motor  
 34 vehicle to the Department of Finance and Administration or the department of  
 35 motor vehicles of another state and file any required statements.

36 (b) If the certificate of title is surrendered to the Department of

1 Finance and Administration, then upon payment of the appropriate fee for  
 2 registration and issuance of title, the department shall issue the required  
 3 salvage vehicle title, prior salvage vehicle title, or junk vehicle title to  
 4 the owner or the insurer in accordance with this subchapter.

5 (c)(1) If the certificate of title is surrendered to the department of  
 6 motor vehicles of another state, then the owner or insurer shall follow the  
 7 procedures of that state to obtain a salvage vehicle title, prior salvage  
 8 vehicle title, or junk vehicle title.

9 (2) If under this subchapter a junk vehicle title would be  
 10 required if the motor vehicle were retitled in this state, then the owner or  
 11 insurer of the motor vehicle shall obtain a junk vehicle title in the other  
 12 state.

13 (3) If the owner or insurer of the motor vehicle cannot obtain  
 14 the required salvage vehicle title, prior salvage vehicle title, or junk  
 15 vehicle title in the other state, then the owner or insurer shall obtain a  
 16 salvage vehicle title, prior salvage vehicle title, or junk vehicle title in  
 17 this state or another state in which the required salvage vehicle title,  
 18 prior salvage vehicle title, or junk vehicle title may be obtained.

19  
 20 27-14-2508. Duties of insurer delegating responsibility to retitle a  
 21 motor vehicle.

22 (a) If an insurer has the responsibility under this subchapter to  
 23 surrender the certificate of title on a motor vehicle for which it has taken  
 24 title or to notify the Department of Finance and Administration that a motor  
 25 vehicle is a salvage vehicle, prior salvage vehicle, or junk vehicle, the  
 26 insurer may delegate its responsibility to surrender the certificate of title  
 27 or to notify the department to a servicing organization or to a buyer of the  
 28 motor vehicle from the insurer.

29 (b) However, the insurer remains responsible under the law if the  
 30 servicing organization or buyer fails to properly surrender the title.

31  
 32 27-14-2509. Disclosure requirements.

33 (a)(1) If any dealer in this state offers for sale a motor vehicle for  
 34 which a title has been issued under this subchapter, the dealer shall  
 35 disclose the existence of the title to any prospective buyer or purchaser  
 36 prior to sale.

1           (2) The dealer shall furnish the prospective buyer with a  
 2 description of the damage sustained by the motor vehicle on file with the  
 3 Department of Finance and Administration, if a statement was filed under  
 4 § 27-14-2505.

5           (3) The disclosure shall be on a buyer's notification form to be  
 6 prescribed by the Consumer Protection Division of the Office of the Attorney  
 7 General.

8           (4)(A) The form shall be fully filled out and affixed to a side  
 9 window of the motor vehicle with the title "Buyer's Notification" facing to  
 10 the outside.

11           (B) The form may be removed temporarily from the window of  
 12 the motor vehicle during any test drive, but it shall be replaced as soon as  
 13 the test drive is over.

14           (b)(1) If any motor vehicle owner who is not a dealer knowingly offers  
 15 for sale or trade a motor vehicle which carries a title issued under this  
 16 subchapter, the owner shall disclose to any prospective buyer or purchaser  
 17 prior to the sale or trade the nature of the title brand.

18           (2) The owner shall furnish the prospective buyer with a  
 19 description of the damage sustained by the motor vehicle as on file with the  
 20 Department of Finance and Administration if a statement was filed under § 27-  
 21 14-2505.

22           (3) The disclosure shall be on a buyer's notification form to be  
 23 prescribed by the Consumer Protection Division.

24           (c)(1) The form to be prescribed by the division shall have an  
 25 acknowledgment section that the seller shall require the buyer to sign prior  
 26 to completing a sales transaction on a motor vehicle that carries a branded  
 27 title.

28           (2) The seller shall retain a copy of the signed notification  
 29 form.

30           (d)(1) Failure of the seller to procure the buyer's acknowledgment  
 31 signature shall render the sale voidable at the election of the buyer.

32           (2) The election to render the sale voidable shall be limited to  
 33 sixty (60) days after the sales transaction.

34           (3)(A) The buyer's right to render voidable the purchase is in  
 35 addition to any other right or remedy which may be available to the buyer.

36           (B) In the event that the seller makes full refund of the



1 purchase price to the buyer within ten (10) days after receipt of the buyer's  
 2 election to void the sales transaction, the seller shall be subject to no  
 3 further liability in connection with the sales transaction.

4  
 5 27-14-2510. Violations – Penalties.

6 (a) It shall be a Class A misdemeanor if:

7 (1) A repairer, rebuilder, or restorer of a motor vehicle who  
 8 fails to provide to a motor vehicle owner the sworn statement required by  
 9 § 27-14-2505;

10 (2) A repairer, rebuilder, or restorer of a motor vehicle is the  
 11 motor vehicle owner fails to submit the sworn statement required by § 27-14-  
 12 2505;

13 (3) A motor vehicle owner conceals or attempts to conceal the  
 14 fact that the motor vehicle has been damaged from any prospective buyer or  
 15 transferee in violation of this subchapter; or

16 (4) A dealer fails to disclose the information provided for in §  
 17 27-14-2505.

18 (b) Any sale, attempted sale, or transfer of a motor vehicle in  
 19 violation of the provisions of this subchapter shall constitute an unfair or  
 20 deceptive act or practice under the provisions of §§ 4-88-101 - 4-88-115.

21  
 22 27-14-2511. Applicability of subchapter.

23 The provisions of this subchapter shall not apply to motor vehicles  
 24 more than seven (7) model years old.

25  
 26 27-14-2512. Exemption from sales or use tax.

27 (a) Any person licensed by the State of Arkansas as a dealer in motor  
 28 vehicles that is required under the provisions of this subchapter to register  
 29 and title a motor vehicle in the name of the dealership shall be exempt from  
 30 the payment of sales or use taxes on the transaction.

31 (b) An insurer of a motor vehicle that is required under the  
 32 provisions of this subchapter to register and title a motor vehicle in the  
 33 name of the insurer shall be exempt from the payment of sales or use taxes on  
 34 the transaction if the title to the vehicle is transferred as a result of  
 35 settling a claim with the insurer's insured.

1           27-14-2513. Rules for enforcement and administration.

2           The Director of the Department of Finance and Administration shall  
 3 promulgate necessary rules for the proper enforcement and administration of  
 4 this subchapter.

5  
 6           SECTION 2. Arkansas Code §§ 27-14-2301 - 27-14-2307 are repealed.

7           ~~27-14-2301. Definitions.~~

8           ~~As used in this subchapter, unless the context otherwise requires:~~

9                     ~~(1)(A) "Dealer" means any person or business who sells or offers~~  
 10 ~~for sale a motor vehicle after selling or offering for sale five (5) or more~~  
 11 ~~motor vehicles in the previous twelve (12) months or who is a new or used~~  
 12 ~~motor vehicle dealer licensed by or with the State of Arkansas.~~

13                     ~~(B) Persons or businesses that operate as salvage vehicle~~  
 14 ~~pools or salvage vehicle auctions are not dealers under this subchapter when~~  
 15 ~~selling vehicle parts to a dealer;~~

16                     ~~(2) "Motor vehicle" means every self-propelled vehicle, except~~  
 17 ~~motorcycles, motor driven cycles, and trucks with an unladen weight of ten~~  
 18 ~~thousand pounds (10,000 lbs.) or more, in, upon, or by which any person or~~  
 19 ~~property is or may be transported upon a street or highway;~~

20                     ~~(3) "Office of Motor Vehicle" or "office" means the Office of~~  
 21 ~~Motor Vehicle of the Revenue Division of the Department of Finance and~~  
 22 ~~Administration;~~

23                     ~~(4) "Owner" means an individual, insurance company, or other~~  
 24 ~~entity with legal title to the motor vehicle; and~~

25                     ~~(5) "Water damaged" means damage to a motor vehicle caused by~~  
 26 ~~submerging or partially submerging the vehicle in water to the extent that~~  
 27 ~~the vehicle was submerged or partially submerged at any water level above the~~  
 28 ~~dashboard of the vehicle, regardless of the actual dollar amount of the~~  
 29 ~~damage.~~

30  
 31           ~~27-14-2302. Issuance of damage certificate.~~

32           ~~(a) When a motor vehicle is water damaged or sustains damage in an~~  
 33 ~~amount equal to or exceeding seventy percent (70%) of its average retail~~  
 34 ~~value, as found in the National Automobile Dealers' Association Official~~  
 35 ~~Price Guide, or other source approved by the Office of Motor Vehicle, the~~  
 36 ~~owner, or insurance company if it obtains ownership of the vehicle through~~

1 ~~transfer of title as the result of a settlement of an insurance claim, shall~~  
 2 ~~forward the properly endorsed certificate of title to the office together~~  
 3 ~~with a fee in the amount now or hereafter prescribed by law for the~~  
 4 ~~registration and issuance of a certificate of title.~~

5 ~~(b) Upon receipt of such title, there shall be issued a new~~  
 6 ~~certificate of title with the word "damaged" printed in the remarks section~~  
 7 ~~on the face of the title.~~

8 ~~(c)(1) An Arkansas certificate of title issued from an out-of-state~~  
 9 ~~certificate of title or comparable ownership document which carries a~~  
 10 ~~designation such as "damaged", "salvaged", "water damaged", "reconstructed",~~  
 11 ~~"rebuilt", or other similar classification shall have a brand notation~~  
 12 ~~printed in the remarks section on its face as would be required by this~~  
 13 ~~subchapter to be printed on an Arkansas certificate of title issued under the~~  
 14 ~~provisions of either subsection (b) or subsection (e) of this section.~~

15 ~~(2)(A) Provided, however, an Arkansas certificate of title shall~~  
 16 ~~not be issued from an out-of-state junking certificate or other ownership~~  
 17 ~~document bearing a designation of "junk", "nonrepairable", or similar~~  
 18 ~~classification, it being the intent of this section that any motor vehicle~~  
 19 ~~damaged to the extent that it has been so designated shall be dismantled for~~  
 20 ~~parts or scrap and shall not be titled in the State of Arkansas.~~

21 ~~(B)(i) An Arkansas title may be issued only if the state~~  
 22 ~~that placed the designation on the certificate of title or issued the junking~~  
 23 ~~certificate removes the designation or cancels the junking certificate and~~  
 24 ~~replaces it with a certificate of title.~~

25 ~~(ii) The designation placed on the certificate of~~  
 26 ~~title or issuance of junking certificate may be modified or removed only by~~  
 27 ~~that state.~~

28 ~~(iii) No court of this state shall have jurisdiction~~  
 29 ~~to change or modify the designation or finding of another state issuing a~~  
 30 ~~certificate of title or the junking certificate.~~

31 ~~(d)(1) When any motor vehicle issued a "damaged" certificate of title,~~  
 32 ~~or similar branded title by another state, is rebuilt or reconstructed, the~~  
 33 ~~owner shall, within ten (10) working days, make application to the office for~~  
 34 ~~the registration and issuance of a new certificate of title to the motor~~  
 35 ~~vehicle.~~

36 ~~(2) The application shall be accompanied by the "damaged"~~

1 ~~certificate of title, or similar title issued by another state, a fee in the~~  
 2 ~~amount now or hereafter prescribed by law for the registration and issuance~~  
 3 ~~of a certificate of title, and a sworn statement executed by the rebuilder or~~  
 4 ~~restorer on a form prescribed by the office describing the types of repairs~~  
 5 ~~performed, listing all parts replaced, and including the vehicle~~  
 6 ~~identification number of any parts bearing such a number or a derivative~~  
 7 ~~thereof.~~

8 ~~(e)(1) Upon receipt of such "damaged" certificate of title, or similar~~  
 9 ~~title issued by another state, and the sworn statement required to be~~  
 10 ~~submitted by subsection (d) of this section, there shall be issued a new~~  
 11 ~~certificate of title with the words "previous damage" printed in the remarks~~  
 12 ~~section on the face of the title.~~

13 ~~(2) Such brand shall be carried forward and printed in the~~  
 14 ~~remarks section on the face of all titles issued thereafter for such motor~~  
 15 ~~vehicle.~~

16 ~~(f) The sworn statement submitted pursuant to subsection (d) of this~~  
 17 ~~section shall be maintained by the office as a part of the permanent title~~  
 18 ~~record of the motor vehicle in question, and the information contained~~  
 19 ~~therein shall be made available to any prospective buyer or transferee upon~~  
 20 ~~request.~~

21  
 22 ~~27-14-2303. Disclosure requirements.~~

23 ~~(a)(1) When any dealer in this state offers for sale a motor vehicle~~  
 24 ~~which carries a title branded pursuant to this subchapter, the dealer shall~~  
 25 ~~disclose to any prospective buyer or purchaser prior to sale the nature of~~  
 26 ~~the title brand and shall furnish him or her a description of the damage~~  
 27 ~~sustained by the motor vehicle on file with the Office of Motor Vehicle.~~

28 ~~(2) The disclosure shall be on a buyer's notification form to be~~  
 29 ~~prescribed by the Consumer Protection Division of the Office of the Attorney~~  
 30 ~~General.~~

31 ~~(3)(A) The form shall be fully filled out and affixed to a side~~  
 32 ~~window of the motor vehicle with the title "Buyer's Notification" facing to~~  
 33 ~~the outside.~~

34 ~~(B) The form may be removed temporarily from the window~~  
 35 ~~during any test drive, but it shall be replaced as soon as the test drive is~~  
 36 ~~over.~~

1           ~~(b)(1) When any motor vehicle owner who is not a dealer knowingly~~  
 2 ~~offers for sale or trade a motor vehicle which carries a title branded~~  
 3 ~~pursuant to this subchapter, such owner shall disclose to any prospective~~  
 4 ~~buyer or purchaser prior to the sale or trade the nature of the title brand~~  
 5 ~~and shall furnish him or her a description of the damage sustained by the~~  
 6 ~~motor vehicle as on file with the office.~~

7           ~~(2) The disclosure shall be on a buyer's notification form to be~~  
 8 ~~prescribed by the division.~~

9           ~~(c)(1) The form to be prescribed by the division shall have an~~  
 10 ~~acknowledgment section that the seller shall require the buyer to sign prior~~  
 11 ~~to completing a sales transaction on a motor vehicle that carries a branded~~  
 12 ~~title.~~

13           ~~(2) The seller shall retain a copy of the signed notification~~  
 14 ~~form.~~

15           ~~(d)(1) Failure of the seller to procure the buyer's acknowledgment~~  
 16 ~~signature shall render the sale voidable at the election of the buyer.~~

17           ~~(2) The election to render the sale voidable shall be limited to~~  
 18 ~~sixty (60) days after the sales transaction.~~

19           ~~(3) The buyer's right to render voidable the purchase is in~~  
 20 ~~addition to any other right or remedy which may be available to the buyer. In~~  
 21 ~~the event that the seller makes full refund of the purchase price to the~~  
 22 ~~buyer within ten (10) days after receipt of the buyer's election to void the~~  
 23 ~~sales transaction, the seller shall be subject to no further liability in~~  
 24 ~~connection with the sales transaction.~~

25  
 26           ~~27-14-2304. Violations — Penalties.~~

27           ~~(a) Any repairer, rebuilder, or restorer who pleads guilty or nolo~~  
 28 ~~contendere to or who is found guilty of failing to provide to a motor vehicle~~  
 29 ~~owner the sworn statement required by § 27-14-2302 to be submitted to the~~  
 30 ~~Office of Motor Vehicle, or, if the repairer, rebuilder, or restorer is the~~  
 31 ~~motor vehicle owner, failing to submit the sworn statement required by § 27-~~  
 32 ~~14-2302 to be submitted to the office, or any motor vehicle owner who~~  
 33 ~~conceals or attempts to conceal the fact that the motor vehicle has been~~  
 34 ~~damaged from any prospective buyer or transferee in violation of this~~  
 35 ~~subchapter shall be guilty of a Class A misdemeanor and shall be punished as~~  
 36 ~~provided by law.~~

1           ~~(b) Any dealer who pleads guilty or nolo contendere to or who is found~~  
 2 ~~guilty of failing to disclose the information provided for in § 27-14-2302 or~~  
 3 ~~any motor vehicle owner who conceals or attempts to conceal the fact that the~~  
 4 ~~motor vehicle has been damaged from any prospective buyer or purchaser in~~  
 5 ~~violation of this subchapter shall be guilty of a Class A misdemeanor and~~  
 6 ~~shall be punished as provided by law.~~

7           ~~(c) Any sale, attempted sale, or transfer of a motor vehicle in~~  
 8 ~~violation of the provisions of this subchapter shall constitute an unfair or~~  
 9 ~~deceptive act or practice under the provisions of the Deceptive Trade~~  
 10 ~~Practices Act, § 4-88-101 et seq.~~

11  
 12           ~~27-14-2305. Applicability of subchapter.~~

13           ~~The provisions of this subchapter shall not apply to motor vehicles~~  
 14 ~~more than five (5) model years old. Any title which is branded pursuant to~~  
 15 ~~this subchapter shall retain the brand on the title for the life of the~~  
 16 ~~vehicle.~~

17  
 18           ~~27-14-2306. Exemption from sales or use tax.~~

19           ~~Any person licensed by the State of Arkansas as a dealer in motor~~  
 20 ~~vehicles who is required under the provisions of this subchapter to register~~  
 21 ~~and title a motor vehicle in the name of such dealership shall be exempt from~~  
 22 ~~the payment of sales or use taxes on such transaction.~~

23  
 24           ~~27-14-2307. Rules and regulations.~~

25           ~~The Director of the Department of Finance and Administration shall~~  
 26 ~~promulgate necessary rules and regulations for the proper enforcement and~~  
 27 ~~administration of this subchapter.~~