

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 2896

5 By: Representatives D. Evans, Adcock, Bolin, D. Creekmore, Davenport, Davis, George, Harrelson,
6 Rosenbaum, Saunders, Schulte, L. Smith
7
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For An Act To Be Entitled

10 AN ACT TO REQUIRE AN OUT-OF-STATE PURCHASER OF A
11 MOTOR VEHICLE AT A SALVAGE AUCTION TO OBTAIN A
12 SALVAGE AUCTION BUYER'S IDENTIFICATION CARD AND
13 TO LEVY A FEE FOR THE SALVAGE AUCTION BUYER'S
14 IDENTIFICATION CARD FOR OUT-OF-STATE PURCHASERS;
15 AND FOR OTHER PURPOSES.
16

Subtitle

17 TO REQUIRE AN OUT-OF-STATE PURCHASER OF
18 A MOTOR VEHICLE AT A SALVAGE AUCTION TO
19 HAVE A BUYER'S IDENTIFICATION CARD AND
20 TO LEVY A FEE ON OUT-OF-STATE BUYERS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 23-112-602, concerning the definitions for
27 the subchapter applicable to licensed used motor vehicle dealers, is amended
28 to add an additional subdivision to read as follows:

29 (12) "Salvage auction" means an auto auction that provides for
30 the wholesale exchange or sale of wrecked, salvaged, damaged, or water-
31 damaged motor vehicles using an auction format.
32

33 SECTION 2. Arkansas Code Title 23, Chapter 112, Subchapter 6, is
34 amended to add additional sections to read as follows:

35 23-112-613. Salvage auction buyer's identification card.

36 (a) On and after January 1, 2006, sales of motor vehicles at a salvage



1 auction in the State of Arkansas shall be open only to persons who possess an
2 Arkansas salvage auction buyer's identification card issued under this
3 section.

4 (b)(1)(A) The salvage auction buyer's identification card authorizing
5 persons to bid or buy motor vehicles at a salvage auction shall be available
6 to any person, business, or corporation, or an employee thereof, that:

7 (i) Possesses a valid new motor vehicle dealer
8 license under § 23-112-301, a used motor vehicle dealer license under § 23-
9 112-607, a valid wrecker license under § 27-14-2001, or is a licensed motor
10 vehicle dealer from another state under § 23-112-615; and

11 (ii) Registers with the Department of Arkansas State
12 Police.

13 (B) Salvage auction buyer's identification cards shall be
14 issued by the Department of Arkansas State Police on a form prescribed by the
15 department and shall contain as a minimum the name, address, driver's license
16 number, any dealer's or wrecker's license numbers, physical description, and
17 signature of the applicant and the name and address of the employer of the
18 applicant.

19 (2) The Department of Arkansas State Police shall issue the
20 salvage auction buyer's identification card at a fee not to exceed:

21 (A) Thirty-five dollars (\$35.00) for the first card issued
22 to the cardholder and fifty dollars (\$50.00) for the second card issued to
23 the cardholder if the cardholder is:

24 (i) An Arkansas resident dealer or wrecker; and

25 (ii) At least one (1) of the following:

26 (a) A licensed new motor vehicle dealer;

27 (b) A licensed used motor vehicle dealer; or

28 (c) A wrecker licensed as required under § 27-
29 14-2001; or

30 (B) Three hundred fifty dollars (\$350) for the first card
31 issued to the cardholder and two hundred fifty dollars (\$250) for the second
32 card issued to the cardholder if the cardholder is:

33 (i) An out-of-state resident; and

34 (ii) Licensed by another state as a motor vehicle
35 dealer or wrecker and meets the requirements of the Department of Arkansas
36 State Police.

1 (3) A person or entity who is a cardholder under this section
2 shall be limited to being issued no more than two (2) salvage auction buyer's
3 identification cards under this section.

4 (4) The salvage auction buyer's identification card shall be
5 renewable each year for a fee of the same amount.

6 (5) The fees collected under this subsection shall be remitted
7 to the State Treasury, there to be deposited as special revenues to the
8 credit of the Department of Arkansas State Police Fund, to be used to offset
9 the administrative costs for issuance of the salvage auction buyer's
10 identification card under this section.

11 (c)(1) The owner, manager, or person in charge of a salvage auction
12 shall:

13 (A) Prohibit the bidding by any person who does not
14 possess a salvage auction buyer's identification card;

15 (B) Refuse to sell a motor vehicle to any person if the
16 person does not possess a valid salvage auction buyer's identification card;
17 and

18 (C) Prohibit any person who intends to purchase without a
19 salvage auction buyer's identification card from being present at the salvage
20 auction site during a sale, except as provided under subdivision (c)(2) of
21 this section.

22 (2) Each salvage auction buyer's identification cardholder may
23 be accompanied at the salvage auction by anyone in accordance with that
24 salvage auction's guidelines.

25 (d)(1) A salvage auction buyer's identification card may be cancelled
26 if the person pleads guilty to, pleads nolo contendere to, or is found guilty
27 of:

28 (A) Unauthorized use of a vehicle;

29 (B) Theft of property or theft by receiving if a stolen
30 motor vehicle or stolen vehicle parts were involved; or

31 (C) Violating any provision of this subchapter.

32 (2) A salvage auction buyer's identification card issued to a
33 licensed motor vehicle dealer or salesperson or to a licensed wrecker may be
34 cancelled if:

35 (A) The person's license is cancelled; or

36 (B) The license is no longer valid.

1 (e)(1) The owner, manager, or person in charge of a salvage auction
2 shall keep a register of all sales of motor vehicles for three (3) years from
3 the date of the sale.

4 (2) The sales transaction register shall include the following
5 information:

6 (A) The make;

7 (B) The model;

8 (C) The year;

9 (D) The body style;

10 (E) The vehicle identification number;

11 (F) The name and address of the seller and buyer; and

12 (G) The salvage auction buyer's identification card
13 number.

14 (3) The register shall be made available for inspection by law
15 enforcement officers of the state, county, or municipality during regular
16 business hours on business days at the salvage auction's business location.

17
18 23-112-614. Prohibition.

19 (a) It is unlawful for the owner, manager, or person in charge of a
20 salvage auction to:

21 (1) Fail to prohibit the bidding by any person who does not
22 possess a salvage auction buyer's identification card;

23 (2) Fail to refuse to sell a motor vehicle to any person if the
24 person does not possess a valid salvage auction buyer's identification card;
25 or

26 (3) Fail to prohibit any person who intends to purchase without
27 a salvage auction buyer's identification card from being present at the
28 salvage auction site during a sale, except as provided under § 23-112-
29 613(c)(2).

30 (b) A violation of subsection (a) of this section is a Class B
31 misdemeanor.

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33 23-112-615. Dealers from other states.

34 Nothing in § 23-112-613 shall prohibit a motor vehicle dealer from
35 another state from buying a motor vehicle at a salvage auction in the State
36 of Arkansas if the state in which the dealer is licensed extends the same

1 privilege to a dealer licensed in Arkansas and if the out-of-state motor
2 vehicle dealer obtains a salvage auction buyer's identification card as
3 required in § 23-112-613.

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5 */s/ D. Evans, et al*
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