

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/2/07 H3/12/07

A Bill

SENATE BILL 295

5 By: Senator Miller
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For An Act To Be Entitled

9 AN ACT TO AMEND PORTIONS OF ARKANSAS LAW RELATED
10 TO DAMAGED MOTOR VEHICLES; AND FOR OTHER
11 PURPOSES.
12

Subtitle

14 AN ACT TO AMEND PORTIONS OF ARKANSAS LAW
15 RELATED TO DAMAGED MOTOR VEHICLES.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 27-14-2301 is amended to read as follows:
21 27-14-2301. Definitions.

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

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

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

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

34 (3)(A) "Occurrence" means the event which caused the motor
35 vehicle to become damaged.

36 (B) "Occurrence" includes without limitation collision,



1 theft, vandalism, storm, or flood;

2 ~~(3)~~(4) "Office of Motor Vehicle" or "office" means the Office of
3 Motor Vehicle of the Revenue Division of the Department of Finance and
4 Administration;

5 ~~(4)~~(5) "Owner" means an individual, insurance company, or other
6 entity with legal title to the motor vehicle; ~~and~~

7 (6) "Salvage vehicle" means a motor vehicle which is:

8 (A) Water-damaged; or

9 (B) Sustains any other damage in an amount equal to or
10 exceeding seventy percent (70%) of its average retail value as determined
11 under criteria established by rule of the Office of Motor Vehicle; and

12 ~~(5)~~(7) "Water-damaged" means damage to a motor vehicle caused by
13 submerging or partially submerging the vehicle in water to the extent that
14 the vehicle was submerged or partially submerged at any water level above the
15 dashboard of the vehicle, regardless of the actual dollar amount of the
16 damage.

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18 SECTION 2. Arkansas Code § 27-14-2302 is amended to read as follows:
19 27-14-2302. Issuance of damage certificate.

20 ~~(a)(1) When a motor vehicle is water damaged or sustains damage in an~~
21 ~~amount equal to or exceeding seventy percent (70%) of its average retail~~
22 ~~value, as found in the National Automobile Dealers' Association Official~~
23 ~~Price Guide, or other source approved by the Office of Motor Vehicle, the~~
24 ~~owner, or insurance company if it obtains ownership of the vehicle through~~
25 ~~transfer of title as the result of a settlement of an insurance claim, shall~~
26 ~~forward the properly endorsed certificate of title to the office together~~
27 ~~with a fee in the amount now or hereafter prescribed by law for the~~
28 ~~registration and issuance of a certificate of title~~ When an insurer acquires
29 the ownership of a salvage vehicle for which a salvage vehicle title has not
30 been issued, the insurer shall surrender the certificate of title for the
31 salvage vehicle to the Office of Motor Vehicle within thirty (30) days
32 following the acquisition of the certificate of title to the salvage vehicle.

33 (2)(A) If a motor vehicle becomes a salvage vehicle and an
34 insurer indemnifies under the insurance policy, but the insurer does not take
35 title to the salvage vehicle, the insurer shall notify the office that the
36 motor vehicle is a salvage vehicle pursuant to the notification procedure

1 required under this subsection.

2 (B) The office shall attach a note or stamp to any copy of
3 a title issued by the office or to any reissued or changed title.

4 (C) The note or stamp shall state that the motor vehicle
5 is a salvage vehicle and shall remain in place until the owner of the vehicle
6 surrenders the certificate of title on the salvage vehicle and a salvage
7 vehicle title or prior salvage vehicle title is issued by the office.

8 (3) If a person other than an insurer owns a salvage vehicle for
9 which a salvage title has not been issued, the owner shall surrender the
10 certificate of title for the salvage vehicle to the office within thirty (30)
11 days following the date that the motor vehicle became a salvage vehicle.

12 (4)(A) If a person other than an insurer acquires ownership of a
13 salvage vehicle after the time it becomes a salvage vehicle but prior to the
14 issuance of a salvage title, and a good faith estimate of the repair cost is
15 over seventy percent (70%) of its average retail value at the time the
16 vehicle is acquired, the owner shall surrender the certificate of title to
17 the salvage vehicle to the office within thirty (30) days following the date
18 of acquisition of the certificate of title to the salvage vehicle. If the
19 vehicle has no resale value except as a source for parts or scrap, the owner
20 may request that the office issue the vehicle a "parts only" title and the
21 vehicle shall be dismantled for parts or scrap and shall be titled as such in
22 the State of Arkansas.

23 (B) Subdivision (a)(4)(A) of this section shall
24 become effective on January 1, 2008.

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

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

35 (2)(A) Provided, however, an Arkansas certificate of title shall
36 not be issued from an out-of-state junking certificate or other ownership

1 document bearing a designation of "junk", "parts only", "nonrepairable", or
2 similar classification, it being the intent of this section that any motor
3 vehicle damaged to the extent that it has been so designated shall be
4 dismantled for *parts or scrap and shall not be ~~titled~~ registered in the State*
5 *of Arkansas, but may receive a "parts only" title.*

6 (B)(i) An Arkansas title may be issued only if the state
7 that placed the designation on the certificate of title or issued the junking
8 certificate removes the designation or cancels the junking certificate and
9 replaces it with a certificate of title.

10 (ii) The designation placed on the certificate of
11 title or issuance of junking certificate may be modified or removed only by
12 that state.

13 (iii) No court of this state shall have jurisdiction
14 to change or modify the designation or finding of another state issuing a
15 certificate of title or the junking certificate.

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

21 (2) The application shall be accompanied by the "~~damaged~~
22 salvage" certificate of title, or similar title issued by another state, a
23 fee in the amount now or hereafter prescribed by law for the registration and
24 issuance of a certificate of title, and a sworn statement executed by the
25 rebuildler or restorer on a form prescribed by the office describing the types
26 of repairs performed, listing all parts replaced, and including the vehicle
27 identification number of any parts bearing such a number or a derivative
28 thereof.

29 (e)(1) Upon receipt of such "~~damaged~~ salvage" certificate of title, or
30 similar title issued by another state, and the sworn statement required to be
31 submitted by subsection (d) of this section, there shall be issued a new
32 certificate of title with the words "~~previous damage~~ rebuilt" printed in the
33 remarks section on the face of the title.

34 (2) Such brand shall be carried forward and printed in the
35 remarks section on the face of all titles issued thereafter for such motor
36 vehicle.

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

6 (g)(1) If an insurer has the responsibility under this subchapter to
7 surrender the certificate of title on a salvage vehicle for which it has
8 taken title or to notify the office that a motor vehicle is a salvage
9 vehicle, prior salvage vehicle, or "parts only" vehicle, the insurer may
10 delegate its responsibility to surrender the certificate of title or to
11 notify the office to a servicing organization or to a buyer of the salvage
12 vehicle from the insurer.

13 (2) The insurer shall remain responsible under Arkansas law if
14 the servicing organization or buyer fails to properly surrender the title or
15 notify the department.

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17 SECTION 3. Arkansas Code § 27-14-2305 is amended to read as follows:
18 27-14-2305. Applicability of subchapter.

19 (a) The provisions of this subchapter shall not apply to motor
20 vehicles more than ~~five (5)~~ seven (7) model years old prior to the calendar
21 year of the occurrence.

22 (b) Any title which is branded pursuant to this subchapter shall
23 retain the brand on the title for the life of the vehicle.

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25 /s/ Miller
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