

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 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 426

4
5 By: Senator Teague
6
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE ARKANSAS CODE TO PROVIDE FOR
10 INCREASED SECURITY IN THE ISSUANCE OF TEMPORARY
11 MOTOR VEHICLE BUYER'S TAGS; AND FOR OTHER
12 PURPOSES.
13

Subtitle

14
15 TO PROVIDE FOR INCREASED SECURITY IN THE
16 ISSUANCE OF TEMPORARY MOTOR VEHICLE
17 BUYER'S TAGS.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code § 19-6-201(54), concerning vehicle buyer's
23 tag fees, is amended to read as follows:

24 (54) Unregistered vehicle temporary ~~cardboard~~ preprinted paper buyer's
25 tag fees, § 27-14-1705;
26

27 SECTION 2. Arkansas Code § 27-14-1701 is amended to read as follows:
28 27-14-1701. Operation of vehicles under special plates.

29 (a) A manufacturer or dealer owning any vehicle of a type otherwise
30 required to be registered under this chapter may operate or move it upon the
31 highways solely for purposes of transporting it without registering each
32 vehicle, upon condition that any such vehicle display a special plate or
33 temporary ~~cardboard tag~~ preprinted paper tag and any correlating stickers
34 that are to be placed on the preprinted paper tag issued to the owner as
35 provided in this subchapter.

36 (b)(1) A transporter may operate or move any vehicle of like type upon



1 the highways solely for the purpose of delivery, upon displaying a special
2 plate issued to him or her as provided in ~~this subchapter~~ § 27-14-1806.

3 (2) The transporter shall submit proof of his or her status as a
4 bona fide transporter as may reasonably be required by the office.

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

7 (d)(1) The Director of the Department of Finance and Administration
8 shall provide the specifications, form, and color of the special temporary
9 ~~cardboard tag~~ preprinted paper tag and any correlating stickers that are to
10 be placed on the preprinted paper tag required under this section.

11 (2)(A) Temporary preprinted paper tags issued to manufacturers
12 or dealers for transport purposes shall have the following information
13 printed on them:

14 (i) The date of expiration;

15 (ii) The vehicle year, make, and model;

16 (iii) The vehicle identification number;

17 (iv) The name of the issuing dealer; and

18 (v) Other information that may be required by the
19 office.

20 (B) In addition, the expiration date of the preprinted
21 paper tag shall be shown in ink on the tag in a place to be determined by the
22 office.

23 (C) The expiration date shall be covered by a sticker for
24 added security.

25 (e) In addition to any other penalty prescribed by this chapter, ~~any a~~
26 dealer, manager, sales manager, or salesperson of the dealer, or manufacturer
27 who pleads guilty or nolo contendere to or ~~who~~ is found guilty of the misuse
28 of a special temporary ~~cardboard tag~~ preprinted paper tag and any correlating
29 stickers that are to be placed on the tag and issued under this section, or
30 of allowing anyone else to misuse a special temporary ~~cardboard tag~~
31 preprinted paper tag and the correlating stickers that are to be placed on
32 the tag shall be fined not more than:

33 (1) ~~two~~ Two hundred fifty dollars (\$250) for the first offense;

34 (2) ~~, not more than five~~ Five hundred dollars (\$500) for the
35 second offense; and

36 (3) ~~, and not more than one~~ One thousand dollars (\$1,000) for

1 the third and subsequent offenses.

2
3 SECTION 3. Arkansas Code § 27-14-1702 is amended to read as follows:

4 27-14-1702. Application for and issuance of certificates and special
5 plates.

6 (a)(1) ~~Any~~ A manufacturer, ~~transporter~~, or dealer may make
7 application to the Office of Motor Vehicle, upon the appropriate form, for a
8 certificate containing a general distinguishing number and for one (1) or
9 more pairs of special plates, single special plates, or special temporary
10 ~~cardboard~~ preprinted paper tags, as appropriate, subject to §§ 27-14-1701 and
11 27-14-1704, to various types of vehicles subject to registration under this
12 chapter.

13 (2) The applicant shall also submit proof of his or her status
14 as a bona fide manufacturer, ~~transporter~~, or dealer, as ~~may reasonably be~~
15 required by the office.

16 (b)(1) The office, upon granting ~~any such~~ the application for one (1)
17 or more pairs of special plates or single special plates, shall issue to the
18 applicant a certificate containing the applicant's name and address and the
19 general distinguishing number assigned to the applicant.

20 (2) A certificate containing the applicant's name and address
21 and the general distinguishing number assigned to the applicant is not
22 required to be issued upon granting an application for one (1) or more
23 special temporary preprinted paper tags.

24 (c)(1) The office shall also issue a special plate, plates, or special
25 temporary ~~cardboard~~ preprinted paper tags as applied for, which shall have
26 displayed thereon the general distinguishing number assigned to the
27 applicant.

28 (2) Each plate, pair of plates, or special temporary ~~cardboard~~
29 preprinted paper tags ~~so~~ issued shall also contain a number or symbol
30 identifying it or them from every other plate, pair of plates, or special
31 temporary ~~cardboard~~ preprinted paper tags bearing the same general
32 distinguishing number.

33
34 SECTION 4. Arkansas Code § 27-14-1703(a), concerning the expiration of
35 special plates, is amended to read as follows:

36 (a)(1) Every special plate, excluding temporary preprinted paper tags,

1 issued under this subchapter shall expire at 12:00 midnight on December 31 of
 2 each year unless the Commissioner of Motor Vehicles provides by rule a
 3 staggered method of annual expiration.

4
 5 Section 5. Arkansas Code § 27-14-1705 is amended to read as follows:

6 27-14-1705. Temporary ~~cardboard~~ preprinted paper buyer's tags.

7 (a)(1)(A) ~~A dealer shall issue to a person who buys an unregistered~~
 8 ~~vehicle one (1) temporary cardboard buyer's tag for the vehicle~~ A person who
 9 buys a motor vehicle from a licensed dealer shall be required to obtain one
 10 (1) temporary preprinted paper buyer's tag for the vehicle and any
 11 correlating stickers that are to be placed on the tag.

12 (B) The preprinted paper buyer's tag may be issued by an
 13 approved licensed dealer, vendor, or the Office of Motor Vehicle.

14 (2)(A) A person who buys a motor vehicle from a licensed dealer
 15 without the capability to issue temporary preprinted paper buyer's tags
 16 shall:

17 (i) Obtain the preprinted paper buyer's tag and
 18 stickers within five (5) business days after the date of purchase of the
 19 vehicle from an approved vendor or the office;

20 (ii) Provide to the vendor or the office a copy of
 21 the bill of sale, or other documentation necessary to verify the dealer's
 22 name, the buyer's name, the date of sale, the motor vehicle's vehicle
 23 identification number, and the make and model of the vehicle; and

24 (iii) Maintain a copy of the bill of sale for the
 25 motor vehicle in the vehicle until the time the buyer obtains the preprinted
 26 paper buyer's tag and stickers.

27 (B) A person who fails to obtain a preprinted paper
 28 buyer's tag and stickers within five (5) business days of the date of
 29 purchase of the vehicle shall be subject to the fines in this section.

30 (b)(1) The temporary ~~cardboard~~ preprinted paper buyer's tag is valid
 31 for the operation of the vehicle until the earlier of:

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

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

34 (2)(A) If the date that a transferee of a motor vehicle must
 35 register the vehicle is extended under § 27-14-903(a)(1)(2), the dealer may
 36 issue one (1) additional temporary ~~cardboard~~ preprinted paper buyer's tag to

1 the transferee, to expire thirty (30) days from the date that the additional
2 temporary ~~cardboard~~ preprinted paper buyer's tag was issued.

3 (B)(i) If the dealer lacked the capability to issue
4 preprinted paper buyer's tags, the transferee may obtain a temporary
5 preprinted paper buyer's tag from the office.

6 (ii) The additional preprinted paper buyer's tag
7 expires thirty (30) days from the date the additional tag was issued.

8 ~~(c)(1)(A) The dealer shall show in ink on the temporary cardboard~~
9 ~~buyer's tag the actual date of sale and any other information required by the~~
10 ~~Director of the Department of Finance and Administration~~ The following
11 information shall be printed by the dealer, the vendor, or the office on the
12 face of the temporary preprinted paper buyer's tags:

13 (i) The actual date of sale;

14 (ii) The date of expiration;

15 (iii) The vehicle year, make, and model;

16 (iv) The vehicle identification number;

17 (v) The name of the issuing dealer; and

18 (vi) Other information required by the office.

19 (B) The expiration date of the preprinted paper buyer's
20 tag shall be shown in ink on the preprinted paper buyer's tag in a place to
21 be determined by the office and the date shall be covered by a sticker for
22 added security.

23 ~~(2) The dealer shall be responsible for affixing the temporary~~
24 ~~cardboard buyer's tag to the vehicle as provided in this section~~ A dealer who
25 issues a temporary preprinted paper buyer's tag shall indicate on the bill of
26 sale that a temporary preprinted paper buyer's tag was issued in order to
27 facilitate collection of the fees required by this subchapter.

28 ~~(d)(1)(A) The temporary cardboard preprinted paper buyer's tag issued~~
29 ~~under this section shall be placed at the location provided for the permanent~~
30 ~~motor vehicle license plate~~ on the inside rear window of the vehicle.

31 (B) For vehicles without a rear window, the preprinted
32 paper buyer's tag shall be placed at the location provided for the permanent
33 motor vehicle license plate.

34 (2) If a preprinted paper buyer's tag placed at the location
35 provided for the permanent motor vehicle license plate becomes damaged or
36 destroyed, the motor vehicle purchaser shall be required to register the

1 vehicle under § 27-14-705 or obtain a replacement preprinted paper buyer's
 2 tag from the original issuing dealer or from the office.

3 (3) The replacement preprinted paper buyer's tag shall expire on
 4 the expiration date of the original preprinted paper buyer's tag.

5 ~~(e) The dealer is responsible for the safekeeping and distribution of~~
 6 ~~each temporary cardboard buyer's tag that the dealer obtains from the~~
 7 ~~director.~~

8 ~~(f)(e)~~ The director shall provide the specifications, form, and color
 9 of the temporary ~~cardboard~~ preprinted paper buyer's tag.

10 ~~(g)(1)(A)(f)(1)(A)~~ The ~~dealer~~ buyer shall be responsible for paying to
 11 the director a fee to be set by the director, which shall not exceed one
 12 dollar (\$1.00), for each temporary ~~cardboard~~ preprinted paper buyer's tag and
 13 any correlating stickers the buyer receives. ~~The dealer shall pass this fee~~
 14 ~~on to the buyer to whom the tag was issued~~

15 (B) This fee shall be collected at the time the buyer
 16 registers the vehicle under § 27-14-705.

17 ~~(B) The fee shall be collected by the director before~~
 18 ~~issuance of the temporary cardboard buyer's tag to the dealer.~~

19 ~~(C) No dealer shall be allowed to charge a customer a fee~~
 20 ~~for a temporary cardboard buyer's tag higher than that charged to the dealer~~
 21 ~~by the director.~~

22 (2) The gross receipts or gross proceeds derived from the sale
 23 or issuance of temporary ~~cardboard~~ preprinted paper buyer's tags under this
 24 section shall be exempt from the Arkansas gross receipts tax levied by the
 25 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas
 26 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
 27 26-53-101 et seq., and any other state or local tax administered under those
 28 chapters.

29 (3) All fees collected by the director under this section shall
 30 be deposited into the State Treasury, and the Treasurer of State shall credit
 31 them as general revenues to the General Revenue Fund Account of the State
 32 Apportionment Fund.

33 ~~(h)(g)(1)~~ For each temporary ~~cardboard~~ preprinted paper buyer's tag
 34 provided to a buyer ~~by the dealer~~, the ~~dealer~~ issuer shall retain
 35 documentation containing:

36 ~~(1)(A)~~ The dealer's name and master license plate number;

- 1 ~~(2)~~(B) The buyer's name;
- 2 ~~(3)~~(C) The date the temporary ~~cardboard~~ preprinted paper
- 3 buyer's tag was issued;
- 4 ~~(4)~~(D) The vehicle's vehicle identification number;
- 5 ~~(5)~~(E) The make and model of the vehicle; and
- 6 ~~(6)~~(F) The expiration date of the temporary ~~cardboard~~
- 7 preprinted paper buyer's tag.

8 (2) An issuer of preprinted paper buyer's tags shall provide the

9 documentation required to be retained by subdivision (g)(1) to the office on

10 the date of sale for entry into the vehicle temporary tag database provided

11 for in § 27-14-1708.

12 ~~(i)~~(h)(1) Any dealer or approved vendor, or any manager, salesperson,

13 or employee of the dealer or vendor, who pleads guilty or nolo contendere to

14 or ~~who~~ is found guilty of the misuse of a temporary ~~cardboard~~ preprinted

15 paper buyer's tag or of allowing anyone else to misuse a temporary ~~cardboard~~

16 preprinted paper buyer's tag shall be fined not more than:

17 (A) ~~two~~ Two hundred fifty dollars (\$250) for the first

18 offense;

19 (B), ~~not more than five~~ Five hundred dollars (\$500) for the

20 second offense; and

21 (C), ~~and not more than one~~ One thousand dollars (\$1,000)

22 for the third and subsequent offenses.

23 (2) A buyer who pleads guilty or nolo contendere to or is found

24 guilty of failing to obtain a temporary preprinted paper buyer's tag,

25 altering a preprinted paper buyer's tag or failing to display a preprinted

26 paper buyer's tag within five (5) business days of the date of purchase of a

27 motor vehicle shall be fined not more than:

28 (A) Two hundred fifty dollars (\$250) for the first

29 offense;

30 (B) Five hundred dollars (\$500) for the second offense;

31 and

32 (C) One thousand dollars (\$1,000) for the third and

33 subsequent offenses.

34 ~~(j)~~(i) This section shall not apply to an owner or lessee of a

35 registered motor vehicle who elects to display a license plate on a

36 replacement motor vehicle under § 27-14-902(a)(3)(B).

1
2 Section 6. Arkansas Code § 27-14-1706, concerning vehicles provided
3 for purposes of demonstration or for repair customers, is amended to read as
4 follows:

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

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

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

13 ~~(b)(1)(A) The dealer shall issue to the prospective buyer or customer~~
14 ~~one (1) temporary cardboard tag for the vehicle to be placed at the location~~
15 ~~provided for the permanent motor vehicle license plate~~ An approved dealer
16 with the capability of issuing a temporary preprinted paper tag shall issue
17 to the prospective buyer or customer one (1) temporary preprinted paper
18 buyer's tag and any correlating stickers that are to be placed on the
19 preprinted paper tag, in accordance with this section.

20 ~~(B)(i) The Director of the Department of Finance and~~
21 ~~Administration shall provide the specifications, form, and color of the~~
22 ~~temporary cardboard tag~~ A licensed dealer who issues a temporary preprinted
23 paper buyer's tag to a prospective buyer or customer shall place the
24 preprinted paper tag in the rear window of the vehicle.

25 (ii) If the vehicle does not have a rear window, the
26 preprinted paper tag shall be placed at the location provided for the
27 permanent motor vehicle license plate.

28 (iii) If a preprinted paper tag placed at the
29 location provided for the permanent motor vehicle becomes damaged or
30 destroyed, the original dealer may issue a replacement preprinted paper tag
31 that shall expire on the expiration date of the original buyer's tag.

32 (C) A licensed dealer that issues a preprinted paper tag
33 shall provide any required documentation to the Office of Motor Vehicle on
34 the date of the transaction for entry into the vehicle temporary tag database
35 provided for in § 27-14-1708.

36 (D) The office shall provide the specifications, form, and

1 color of the temporary preprinted paper tag.

2 (2)(A) A licensed dealer without the capability of issuing
 3 temporary preprinted paper tags shall issue to the prospective buyer or
 4 customer a test drive or loaner information sheet required by this section in
 5 lieu of the temporary preprinted paper tag.

6 (B) This sheet shall be maintained in the vehicle for the
 7 duration of time in which the prospective buyer or customer has possession of
 8 the vehicle.

9 ~~(2)(3)~~ If the date on which the prospective buyer or customer is
 10 required to return the vehicle to the dealer falls on Saturday, Sunday, or a
 11 legal holiday on which the dealer is not open for business, then the
 12 prospective buyer or customer will have until the next succeeding business
 13 day that is not a Saturday, Sunday, or legal holiday to return the vehicle
 14 and still be in compliance with this section.

15 (c)(1) When a dealer provides ~~an unregistered~~ a motor vehicle to a
 16 prospective buyer or customer under this section, the dealer shall complete
 17 and keep in his or her possession an information sheet containing:

18 (A) The year, make, and model of the vehicle;

19 (B) The vehicle identification number;

20 (C) The prospective buyer's or customer's name;

21 (D) The time and date that the temporary ~~cardboard tag~~
 22 preprinted paper tag or information sheet was issued to the prospective buyer
 23 or customer;

24 (E) The reason the vehicle was furnished to the
 25 prospective buyer or customer; and

26 (F) The length of time the prospective buyer or customer
 27 may retain the vehicle.

28 (2)(A) The director shall provide the specifications, form, and
 29 color of the information sheet to be used by dealers under this subsection.

30 (B) Information sheets retained by the dealer under this
 31 subsection are subject to examination by the director at any reasonable time.

32 (d)(1) A temporary ~~cardboard~~ preprinted paper buyer's tag or
 33 information sheet is not required if the prospective buyer or customer is
 34 required to return the vehicle before the end of the business day upon which
 35 the vehicle was provided to the prospective buyer or customer, and it ~~shall~~
 36 is not ~~be~~ unlawful for a prospective buyer or customer to test drive an

1 unregistered vehicle in the manner provided in this subsection.

2 (2) A dealer may, at the dealer's option, provide a prospective
 3 buyer or customer as described in this subsection with a test drive or loaner
 4 information sheet for purposes of verifying that the vehicle is being driven
 5 with the permission of the dealer.

6 (3) The director shall design the test drive or loaner
 7 information sheet to be used by dealers under this subsection and shall make
 8 this information sheet available at all state revenue offices and on the
 9 website of the Department of Finance and Administration.

10 (4) A dealer shall be allowed to make and use photocopies of the
 11 test drive or loaner information sheet designed by the department in lieu of
 12 the original provided by the department.

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

15
 16 SECTION 7. Arkansas Code Title 27, Chapter 14 is amended to add a new
 17 section to read as follows:

18 27-14-1708. Temporary tag database.

19 (a) There is created a vehicle temporary tag database within the
 20 Revenue Division of the Department of Finance and Administration to develop,
 21 establish, and maintain a database of information to verify compliance with
 22 the unregistered motor vehicle preprinted paper buyer's tag laws of Arkansas
 23 in this chapter.

24 (b)(1) The vehicle temporary tag database shall be administered by the
 25 division with the assistance of the Department of Information Systems or
 26 other designated agent with whom the division may contract to supply
 27 technical database and data processing expertise.

28 (2) The vehicle temporary tag database shall be developed and
 29 maintained in accordance with guidelines established by the division so that
 30 state and local law enforcement agencies can access the vehicle temporary tag
 31 database to determine compliance with the sale, licensing, and registration
 32 of motor vehicles, as required by law.

33 (c) The division shall have the authority to enter into or to make
 34 agreements, arrangements, or declarations necessary to carry out the
 35 provisions of this section.

36 (d)(1) Upon request, the division may release information in the

1 vehicle temporary tag database to:

2 (A) The owner to whom the temporary tag was issued;

3 (B) The parent or legal guardian of the owner to whom the
4 temporary tag was issued, if the owner is under eighteen (18) years of age or
5 is legally incapacitated; and

6 (C) State and local law enforcement agencies, the Arkansas
7 Crime Information Center, or other government offices upon a showing of need.

8 (2) Except as provided in subdivision (d)(1), all data and
9 information received by the vehicle temporary tag database is confidential
10 and is not subject to examination or disclosure as public information under
11 the Arkansas Freedom of Information Act of 1967, § 25-19-101 et seq.

12 (e) The division or the reporting company shall not be liable for any
13 damages to any property or person due to any act or omission in the reporting
14 or keeping of any record or information contained in the vehicle temporary
15 tag database or the issuing or renewing of any motor vehicle registration in
16 accordance with the vehicle temporary tag tatabase.

17
18 SECTION 8. Effective Date. This act becomes effective July 1, 2010.
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36