

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
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As Engrossed: S3/28/13
A Bill

HOUSE BILL 1707

By: Representative B. Overbey

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS LAW CONCERNING TEMPORARY
PREPRINTED PAPER BUYER'S TAGS FOR MOTOR VEHICLES; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND ARKANSAS LAW CONCERNING
TEMPORARY PREPRINTED PAPER BUYER'S TAGS
FOR MOTOR VEHICLES; AND TO DECLARE AN
EMERGENCY.

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

SECTION 1. Arkansas Code § 19-6-201(54), concerning the inclusion of temporary preprinted paper buyer's tag fees in general revenues, is amended to read as follows:

(54) ~~Unregistered~~ The first three dollars (\$3.00) of each unregistered vehicle temporary preprinted paper buyer's tag ~~fees~~ fee, § 27-14-1705;

SECTION 2. Arkansas Code § 27-14-1705 is amended to read as follows
27-14-1705. Temporary preprinted paper buyer's tags.

(a)(1)(A) A person who buys a motor vehicle from a licensed dealer shall be required to obtain one (1) temporary preprinted paper buyer's tag for the vehicle and any correlating ~~stickers that are~~ sticker that is to be placed on the tag.

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



(2)(A) A person who buys a motor vehicle from a licensed dealer that cannot issue temporary preprinted paper buyer's tags shall:

(i) Obtain the preprinted paper buyer's tag and ~~stickers~~ sticker within ten (10) calendar days after the date of purchase of the vehicle from an approved vendor or the Office of Motor Vehicle;

(ii) Provide to the vendor or the Office of Motor Vehicle a copy of the bill of sale or other documentation necessary to verify the dealer's name, the buyer's name, the date of sale, the motor vehicle's vehicle identification number, and the make, color, and model of the vehicle; and

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

(B) A person who fails to obtain a preprinted paper buyer's tag and ~~stickers~~ sticker within ten (10) calendar days of the date of purchase of the vehicle is subject to the fines in this section.

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

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

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

(2)(A) If the date that a transferee of a motor vehicle must register the vehicle is extended under § 27-14-903(a)(2), the dealer may issue one (1) additional temporary preprinted paper buyer's tag and sticker to the transferee, to expire thirty (30) calendar days from the date that the additional temporary preprinted paper buyer's tag was issued.

(B)(i) If the dealer cannot issue preprinted paper buyer's tags, the transferee may obtain a temporary preprinted paper buyer's tag from the Office of Motor Vehicle.

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

(c)(1)(A) The following information shall be printed by the dealer, the vendor, or the Office of Motor Vehicle on the face of the temporary preprinted paper buyer's tags:

(i) The actual date of sale;

(ii) The date of expiration;

(iii) The vehicle year, make, and model;
(iv) The vehicle identification number;
(v) The name of the issuing dealer; and
(vi) Other information required by the Office of Motor Vehicle.

(B) The expiration date of the preprinted paper buyer's tag shall be shown in ink on the preprinted paper buyer's tag in a place to be determined by the Office of Motor Vehicle, and the date shall be covered by a sticker for added security.

(2) A dealer ~~who~~ that issues a temporary preprinted paper buyer's tag shall indicate on the bill of sale that a temporary preprinted paper buyer's tag was issued in order to facilitate collection of the fees required by this subchapter.

(d)(1)(A) The temporary preprinted paper buyer's tag issued under this section shall be placed at the location provided for the permanent motor vehicle license plate.

(B)(i) The temporary preprinted paper buyer's tag shall be covered by a translucent material that protects the temporary tag until the tag's expiration.

(ii) The translucent material covering the tag shall be approved by the Office of Motor Vehicle.

(C)(i) The information on the tag shall be visible and readable when viewing the temporary tag covered with the translucent material.

(ii) The translucent material shall cover the tag in the manner approved by the Office of Motor Vehicle.

(D) A dealer ~~who~~ that issues a temporary preprinted paper buyer's tag shall insert the tag ~~in~~ into the translucent material and attach the tag to each vehicle the dealer sells to keep the tag in place and readable when the vehicle is in use.

(2) If a preprinted paper buyer's tag placed at the location provided for the permanent motor vehicle license plate becomes damaged or destroyed, the motor vehicle purchaser shall be required to register the vehicle under § 27-14-705 or obtain a replacement preprinted paper buyer's tag from the original issuing dealer or from the Office of Motor Vehicle.

(3) The replacement preprinted paper buyer's tag shall expire on

the expiration date of the original preprinted paper buyer's tag.

(e) The Director of the Department of Finance and Administration shall provide the specifications, form, and color of the temporary preprinted paper buyer's tag.

(f)(1)(A) The buyer shall be responsible for paying to the director a fee to be set by the director, which shall not exceed ~~two dollars and fifty cents (\$2.50)~~ four dollars (\$4.00), for each temporary preprinted paper buyer's tag and any correlating ~~stickers~~ sticker the buyer receives.

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

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

(3)(A) All Except as provided in subdivision (f)(3)(B) of this section, all fees collected by the director under this section shall be deposited into the State Treasury, and the Treasurer of State shall credit them as general revenues to the General Revenue Fund Account of the State Apportionment Fund.

(B) All amounts in excess of the first three dollars (\$3.00) of the fee collected under subdivision (f)(1)(A) of this section shall be deposited into the State Treasury, and the Treasurer of State shall credit them as cash revenue to the credit of the Department of Finance and Administration Revenue Services Division to offset administrative costs.

(g)(1) For each temporary preprinted paper buyer's tag provided to a buyer, the issuer shall retain documentation containing:

- (A) The dealer's name and master license plate number;
- (B) The buyer's name;
- (C) The date the temporary preprinted paper buyer's tag was issued;
- (D) The vehicle's vehicle identification number;
- (E) The make and model of the vehicle; and
- (F) The expiration date of the temporary preprinted paper

buyer's tag.

(2) An issuer of preprinted paper buyer's tags shall provide the documentation required to be retained by subdivision (g)(1) of this section to the Office of Motor Vehicle on the date of sale for entry into the vehicle temporary tag database provided in § 27-14-1708.

(h)(1) In addition to any other penalty prescribed by this section, the director may suspend or terminate a dealer's authority to issue temporary preprinted paper buyer's tags if the director determines that the dealer, manager, salesperson, or employee of the dealer:

(A) Issues more than one (1) temporary preprinted paper buyer's tag to the same buyer for the same motor vehicle, except as authorized under subdivision (b)(2) or subdivision (d)(2) of this section; or

(B) Utilizes a temporary preprinted paper buyer's tag for any use other than a use authorized by subsections (b) and (d) of this section.

(2) The director shall:

(A) Notify the dealer in writing of a suspension or termination of the dealer's authority to issue temporary preprinted paper buyer's tags under this section; and

(B) Provide information in the notice regarding the prohibited activity upon which the suspension or termination is based.

(3) The dealer's authority to issue temporary preprinted paper buyer's tags may be suspended for:

(A) Six (6) months for the first occurrence under subdivision (h)(1) of this section; or

(B) One (1) year for the second occurrence under subdivision (h)(1) of this section.

(4) The dealer's authority to issue temporary preprinted paper buyer's tags may be terminated for a third or subsequent occurrence under subdivision (h)(1) of this section.

(5)(A) A dealer who desires a hearing on the suspension or termination shall notify the director in writing within twenty (20) days after receipt of the notice of suspension or termination.

(B) A hearing officer appointed by the director shall schedule a hearing in an office of the Revenue Division of the Department of Finance and Administration in the county of the dealer's principal place of

business, unless the director and the dealer agree to another location for the hearing or agree that the hearing shall be held by telephone.

(C) Hearings conducted under this section shall be subject to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(D) The hearing officer shall render his or her decision in writing to modify, reverse, or affirm the suspension or termination of the dealer's authority to issue temporary preprinted paper buyer's tags based upon the evidence presented at the hearing and shall serve a copy of the decision on the dealer.

(6)(A) If the decision sustains, in whole or in part, the suspension or termination of the dealer's authority to issue temporary preprinted paper buyer's tags, the dealer may file suit within thirty (30) days of receipt of the decision in the Pulaski County Circuit Court or the circuit court of the county of the dealer's principal place of business.

(B) The dealer shall serve a copy of the petition on the director.

(C) The appeal shall not stay the order of suspension or termination and the order shall remain in effect and be terminated only in the event a decision reversing the suspension or termination is issued by the circuit court.

(7) An appeal from the circuit court shall be in accordance with the laws governing appeals.

~~(h)(1)(i)(1)~~ Any dealer or approved vendor or any manager, salesperson, or employee of the dealer or vendor who pleads guilty or nolo contendere to or is found guilty of the misuse of a temporary preprinted paper buyer's tag or of allowing anyone else to misuse a temporary preprinted paper buyer's tag shall be fined not more than:

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

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

(C) One thousand dollars (\$1,000) for the third and subsequent offenses.

(2) A buyer who pleads guilty or nolo contendere to or is found guilty of failing to obtain a temporary buyer's tag shall be fined not more than twenty-five dollars (\$25.00).

(3) A buyer who pleads guilty or nolo contendere to or is found guilty of altering a preprinted paper buyer's tag or the fraudulent use of a preprinted paper buyer's tag shall be fined not more than:

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

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

(C) One thousand dollars (\$1,000) for the third and subsequent offenses.

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

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act is necessary to ensure that motor vehicles on the road are properly tagged after purchase; and that this act should become effective as soon as possible to promote the safety of the public when operating motor vehicles. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/B. Overbey