

## **Title 27. Transportation**

### **Chapter I. Department of Finance and Administration**

#### **Subchapter B. Motor Vehicle, Mobile Home, and ATV**

#### **Part 12. Dealer/Lienholder Registration and Title Application**

**Codification Notes.** This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "Pursuant to authority given the Commissioner of Revenues by subsection (b) of Section 1 of Act 293 of 1991 (Ark. Code Ann. §§ 27-14-906(b)), after the effective date of this rule, lienholders and motor vehicle dealers may apply for registration and certificates of title on behalf of the purchasers of new or used vehicles."

#### **Subpart 1. Generally**

##### **27 CAR § 12-101. Definitions.**

As used in this part:

(1) "Dealer" means any person or entity:

(A) Engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered for operation in this state; and

(B) Who is licensed by this state or another state for the purposes of engaging in such business;

(2) "Lienholder" means any person or entity who holds a conditional sale contract, conditional lease, chattel mortgage, or other lien or encumbrance upon a vehicle of a type subject to registration in this state, other than a lien dependent upon possession; and

(3) "Purchaser" means any person or entity who has acquired ownership of a vehicle which is required to be registered for operation in this state.

**Authority.** Arkansas Code § 27-14-906.

**27 CAR § 12-102. Application for registration and issuance of title.**

(a) After the effective date of this part, any dealer who sells a vehicle to a purchaser, or any lienholder who holds a lien or encumbrance upon a vehicle purchased, may apply for registration and issuance of a title on behalf of the purchaser.

(b) The dealer or lienholder shall:

(1) File the application with the Secretary of the Department of Finance and Revenue;

(2) Attach thereto a copy of the instrument creating and evidencing the lien or encumbrance; and

(3) Pay all taxes and fees due for such registration and issuance of a title.

(c) The application shall be:

(1) Signed by the purchaser; and

(2) Accompanied by all additional documentation as would be required if the purchaser had filed the application in person.

(d) Upon receipt of the application, supporting documents, any lien instrument, and payment of all requisite taxes and fees, the secretary shall file a lien and encumbrance as provided in Arkansas Code § 27-14-801 et seq.

(e) Upon issuance of the registration and certificate of title, the secretary shall mail the registration to the purchaser and the certificate of title to the lienholder, or to the purchaser if no lien exists.

(f) If a dealer or lienholder fails to exercise the authority granted herein to apply for registration and issuance of a title on the behalf of a purchaser, and such action results in the failure of the dealer or lienholder to comply with the provisions of Arkansas Code § 27-14-802 or § 27-14-806 for the perfection of their security interest in the vehicle, the dealer or lienholder shall have no recourse against the Department of Finance and Administration for any damages resulting from such failure to perfect a security interest.

**Authority.** Arkansas Code § 27-14-906.