

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4  
5 By: Senator K. Hammer  
6

# A Bill

SENATE BILL 598

## For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS ONLINE INSURANCE  
9 VERIFICATION SYSTEM ACT; AND FOR OTHER PURPOSES.

### Subtitle

14 TO AMEND THE ARKANSAS ONLINE INSURANCE  
15 VERIFICATION SYSTEM ACT.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 27-13-102(b), concerning proof of insurance  
22 required for motor vehicle registration and licensing, is amended to read as  
23 follows:

24 (b)(1) Satisfactory proof that the vehicle and the applicant's  
25 operation of the vehicle meet the motor vehicle liability insurance  
26 requirements of § 27-22-101 et seq. may be presented in either paper form or  
27 electronic form only if presented to the department within thirty (30) days  
28 from the date of issuance shown on the paper form or electronic form.

29 (2) As used in subdivision (b)(1) of this section, "electronic  
30 form" means the display of electronic images on a cellular phone or any other  
31 type of portable electronic device if the device has sufficient functionality  
32 and display capability to enable the user to display the information required  
33 by § 23-89-213 as clearly as a paper proof-of-insurance card or other paper  
34 temporary proof of insurance issued by the insurance company.  
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36 SECTION 2. Arkansas Code § 27-22-103(a), concerning the minimum and



1 maximum penalty for operating a motor vehicle without insurance, is amended  
2 to read as follows:

3 (a) Except as provided in subsection (b) of this section, any person  
4 who operates a motor vehicle within this state shall be subject to a  
5 mandatory fine of not less than ~~fifty dollars (\$50.00)~~ one hundred dollars  
6 (\$100) nor more than two hundred fifty dollars (\$250) unless both the vehicle  
7 and the person’s operation of the vehicle are covered by a certificate of  
8 self-insurance or an insurance policy as required under § 27-22-104(a)(1).

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10 SECTION 3. Arkansas Code § 27-22-103(c), concerning the collection of  
11 a fine for operating a motor vehicle without insurance, is amended to read as  
12 follows:

13 (c)(1) The first fifteen dollars (\$15.00) of a fine assessed under  
14 subsection (a) or subsection (b) of this section shall be paid to the  
15 Treasurer of State for the benefit of the Arkansas Citizens First Responder  
16 Safety Enhancement Fund.

17 (2) The Treasurer of State shall transfer the funds received  
18 under subdivision (c)(1) of this section to the Arkansas Citizens First  
19 Responder Safety Enhancement Fund by the end of each month.

20 (d) If the arresting officer is:

21 (1) An officer of the Department of Arkansas State Police, the  
22 remainder of the fine collected shall be remitted by the tenth day of each  
23 month to the Administration of Justice Funds Section of the Office of  
24 Administrative Services of the Department of Finance and Administration, on a  
25 form provided by ~~that office~~ the Office of Administrative Services, for  
26 deposit into the Department of Arkansas State Police Fund to be used for the  
27 purchase and maintenance of state police vehicles;

28 (2) A county law enforcement officer, the remainder of the fine  
29 collected shall be deposited into that county fund used for the purchase and  
30 maintenance of rescue, emergency medical, and law enforcement vehicles,  
31 communications equipment, animals owned or used by law enforcement agencies,  
32 life-saving medical apparatus, and law enforcement apparatus to be used for  
33 those purposes; or

34 (3) A municipal law enforcement officer, the remainder of the  
35 fine collected shall be deposited into that municipal fund used for the  
36 purchase and maintenance of rescue, emergency medical, and law enforcement

1 vehicles, communications equipment, animals owned or used by law enforcement  
2 agencies, life-saving medical apparatus, and law enforcement apparatus to be  
3 used for those purposes.

4  
5 SECTION 4. Arkansas Code § 27-22-104(a)(2)(A), concerning minimum  
6 coverage of motor vehicle insurance required, is amended to read as follows:

7 (2)(A) ~~Failure to present proof of insurance coverage at the~~  
8 ~~time of a traffic stop or arrest or a failure of the Vehicle Insurance~~  
9 ~~Database or proof of an insurance card issued under § 23-89-213 to show~~  
10 ~~current insurance coverage at the time of the traffic stop creates a~~  
11 ~~rebuttable presumption that the motor vehicle or the person's operation of~~  
12 ~~the motor vehicle is uninsured~~

13 There is a rebuttable presumption that the motor vehicle or its  
14 operation is uninsured if:

15 (i) The driver or the insured fails to present proof  
16 of current insurance coverage in the form of a proof-of-insurance card issued  
17 under § 23-89-213 at the time of the traffic stop or arrest; or

18 (ii) The online insurance verification system fails  
19 to show current insurance coverage for the driver or the insured.

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21 SECTION 5. Arkansas Code § 27-22-107(b)(1), concerning motor vehicle  
22 insurance reporting, is amended to read as follows:

23 (b)(1) The reports shall include:

24 (A) The name and the address of the named insured;

25 (B) The make, year, and vehicle identification number of  
26 each insured vehicle; and

27 (C) The policy number, effective date, and expiration date  
28 of each policy, and the National Association of Insurance Carriers  
29 Commissioners company code number, and the name of each driver excluded from  
30 coverage.

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32 SECTION 6. Arkansas Code § 27-22-111(c), concerning the fines for  
33 failure to present proof of insurance at the time of a traffic stop, is  
34 amended to read as follows:

35 (c) The fines collected under this section shall be ~~distributed as~~  
36 ~~follows:~~



1 Commissioners;

2 (B) The ~~motor~~ vehicle identification number;

3 (C) The policy number; and

4 (D) Other key or keys specified by the advisory group;

5

6 SECTION 10. Arkansas Code § 27-22-204(5), concerning the functions of  
7 the online insurance verification system, is amended to read as follows:

8 (5) Utilize open and ~~agreed-to~~ agreed-upon data and data  
9 transmission standards and standard schema as specified by the advisory  
10 group.

11

12 SECTION 11. Arkansas Code § 27-22-205(a)(2), concerning the online  
13 insurance verification system and the responsibilities of an insurer, is  
14 amended to read as follows:

15 (2) Maintain the data necessary to verify insurance status  
16 through the online insurance verification system for a period to be specified  
17 by the advisory group established under § 27-22-203, allowing for the  
18 printing of renewal notices, online ~~multi-year~~ multiyear renewals, and  
19 renewals at all state revenue offices;

20

21 SECTION 12. Arkansas Code § 27-22-205(a)(4), concerning the online  
22 insurance verification system and the responsibilities of an insurer, is  
23 amended to read as follows:

24 (4) Provide data security for the type of information  
25 transferred, as required by the advisory group, that does not violate state  
26 or federal privacy laws;

27

28 SECTION 13. Arkansas Code § 27-22-205(a)(7), concerning the online  
29 insurance verification system and the responsibilities of an insurer, is  
30 amended to read as follows:

31 (7) Allow access through ~~an~~ the online insurance verification  
32 system to verify insurance status.

33

34 SECTION 14. Arkansas Code § 27-22-206(b), concerning the online  
35 insurance verification system and the responsibilities of the Department of  
36 Finance and Administration, is amended to read as follows:

1 (b) This section does not prohibit the department from using the  
2 services of a ~~third party~~ third-party vendor for facilitating the operation  
3 of the online insurance verification system required by this subchapter.  
4

5 SECTION 15. Arkansas Code § 27-22-209(b), concerning the suspension of  
6 registration, is amended to read as follows:

7 (b) The department, or a designated ~~third party~~ third party will  
8 provide notification of the suspension to the owner of the motor vehicle.  
9

10 SECTION 16. Arkansas Code § 27-22-209(d), concerning the suspension of  
11 registration, is amended to read as follows:

12 (d) The reinstatement fee collected ~~by the department shall be~~  
13 ~~distributed under § 27-16-808~~ under subsection (c) of this section shall be  
14 used by the department to defray the cost of administering the online  
15 insurance verification system.  
16

17 SECTION 17. Arkansas Code § 27-22-210(c) and (d), concerning penalties  
18 under the Arkansas Online Insurance Verification System Act, are amended to  
19 read as follows:

20 (c)(1) For the purposes of this section, ~~the reference herein to~~  
21 ~~operating a motor vehicle shall be satisfied whenever it is apparent that the~~  
22 ~~vehicle has traveled any distance upon a public road or highway and a law~~  
23 ~~enforcement officer may have only observed the results of finding the vehicle~~  
24 ~~stopped either on or off the public road or highway, as for example when the~~  
25 ~~vehicle has come to a stop after an accident~~ "operates a motor vehicle" or  
26 "operation of a motor vehicle" means that a motor vehicle has traveled any  
27 distance upon a public road or highway, even if a law enforcement officer has  
28 only observed the results of the distance traveled, including without  
29 limitation the motor vehicle's being stopped on or off the public road or  
30 highway after an accident.

31 (2) ~~Witnessing the operation of the motor vehicle is not~~  
32 ~~required for a citation to be issued under this section~~ A law enforcement  
33 officer is not required to have witnessed the operation of a motor vehicle by  
34 a person in order to issue a citation to that person under this section.

35 (d) A person is guilty of a Class G D felony if he or she knowingly:

36 (1) Alters, forges, or counterfeits an insurance card to make it

1 appear valid; or

2 (2) Makes, sells, or otherwise makes available an invalid or  
3 counterfeit insurance card, or other evidence of insurance.

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5 SECTION 18. Arkansas Code § 27-22-211(a), concerning registration and  
6 licensing, is amended to read as follows:

7 (a) The Department of Finance and Administration shall not register or  
8 ~~re-register~~ reregister a motor vehicle or transfer the license plates if the  
9 registration is suspended under § 27-22-209.

10

11 SECTION 19. Arkansas Code § 27-22-211(c), concerning registration and  
12 licensing, is amended to read as follows:

13 (c)(1) A vehicle registration or renewal shall not be issued ~~to~~ for a  
14 motor vehicle unless the department receives proof of insurance in either  
15 paper form or electronic form or verification of motor vehicle liability  
16 insurance through the online insurance verification system that provides the  
17 minimum motor vehicle insurance coverage required by § 27-22-104.

18 (2) As used in subdivision (c)(1) of this section, "electronic  
19 form" means the display of electronic images on a cellular phone or any other  
20 type of portable electronic device if the device has sufficient functionality  
21 and display capability to enable the user to display the information required  
22 by § 23-89-213 as clearly as a paper proof-of-insurance card or other paper  
23 temporary proof of insurance issued by the insurance company.

24 (3) The proof authorized under subdivision (c)(1) of this  
25 section shall be valid only if presented to the department within thirty (30)  
26 days from the date of issuance shown on the paper form or electronic form.

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28 SECTION 20. TEMPORARY LANGUAGE. DO NOT CODIFY. The Department of  
29 Finance and Administration shall implement the terms of the online insurance  
30 verification system established under the Arkansas Online Insurance  
31 Verification System Act, § 27-22-201 et seq., by January 1, 2020.

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33 SECTION 21. TEMPORARY LANGUAGE. DO NOT CODIFY. Until the online  
34 insurance verification system goes into effect on January 1, 2020, an insurer  
35 required to submit motor vehicle insurance information under the Arkansas  
36 Online Insurance Verification System Act, § 27-22-201 et seq., shall continue

1 to submit the required information as presently required by the Department of  
2 Finance and Administration.

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