

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: H1/29/97 H2/26/97 S3/12/97

# A Bill

ACT 991 OF 1997  
HOUSE BILL 1156

5 *By: Representatives Joe Hudson, Dawson, Sheppard, Milum, Hendren, Wallis, Shoffner, and Harris*  
6 *By: Senator Allen Gordon and Walters*  
7  
8

## For An Act To Be Entitled

10 "AN ACT TO AMEND ARKANSAS CODE § 27-22-103 TO CLARIFY  
11 VIOLATIONS OF MOTOR VEHICLE INSURANCE COVERAGE; TO AMEND  
12 ARKANSAS CODE § 27-22-104 TO ALLOW CHECKS WITH THE VEHICLE  
13 INSURANCE DATABASE FOR PROOF OF INSURANCE COVERAGE; TO  
14 AMEND ARKANSAS CODE § 27-22-105 TO PROVIDE FOR IMPOUNDMENT  
15 OF UNINSURED VEHICLES WHICH ARE INVOLVED IN ACCIDENTS; TO  
16 ADD A NEW SECTION TO CHAPTER 22 OF TITLE 27 OF THE  
17 ARKANSAS CODE OF 1987, ANNOTATED, § 27-22-107 TO PROVIDE  
18 FOR MONTHLY REPORTING TO THE STATE DEPARTMENT OF FINANCE  
19 AND ADMINISTRATION OF MOTOR VEHICLE INSURANCE INFORMATION  
20 BY ALL INSURANCE COMPANIES; TO AMEND SUBCHAPTER 4 OF TITLE  
21 27, CHAPTER 14 OF THE ARKANSAS CODE OF 1987, ANNOTATED, TO  
22 ADD A NEW SECTION 27-14-414 TO CREATE A MOTOR VEHICLE  
23 INSURANCE DATABASE; TO AMEND ARKANSAS CODE § 27-13-102 TO  
24 REQUIRE CHECKING THE VEHICLE INSURANCE DATABASE FOR PROOF  
25 OF INSURANCE AT THE TIME OF VEHICLE REGISTRATION; AND FOR  
26 OTHER PURPOSES."

## Subtitle

28 "TO PROVIDE FOR REPORTING MOTOR VEHICLE  
29 INSURANCE INFORMATION TO DFA AND CREATE  
30 THE MOTOR VEHICLE INSURANCE DATABASE TO  
31 CHECK PROOF OF INSURANCE COVERAGE."  
32  
33

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

35

36 SECTION 1. Arkansas Code § 27-22-103 is amended to read as follows:

1 "27-22-103. Penalty.

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

8 (b)(1) Any person who operates a motor vehicle in violation of ~~this~~  
9 ~~chapter~~ subdivision (a)(1) of § 27-22-104 shall be fined not less than two  
10 hundred fifty dollars (\$250) nor more than five hundred dollars (\$500) for the  
11 second offense, and the minimum fine shall be mandatory.

12 (2) Any person who operates a motor vehicle in violation of ~~this~~  
13 ~~chapter~~ subdivision (a)(1) of § 27-22-104 shall be fined not less than five  
14 hundred dollars (\$500) nor more than one thousand dollars (\$1,000) or  
15 sentenced to one (1) year in jail, or both, for the third offense, or any  
16 subsequent offenses.

17 (3) Upon a showing that liability coverage required by  
18 §§ 27-22-101 - 27-22-104 was in effect at the time of arrest, the judge may  
19 dismiss the charge imposed under this act, and the penalties therefore shall  
20 not be imposed.

21 (c)(1) If the arresting officer was a state police officer, the fine  
22 shall be deposited in the State Treasury and credited to the Department of  
23 Arkansas State Police Fund to be used for the purchase and maintenance of  
24 state police vehicles.

25 (2) If the arresting officer was a county law enforcement  
26 officer, the fine shall be deposited in that county fund used for the purchase  
27 and maintenance of rescue, emergency medical, and law enforcement vehicles to  
28 be used for those purposes.

29 (3) If the arresting officer was a municipal law enforcement  
30 officer, the fine shall be deposited in that municipal fund used for the  
31 purchase and maintenance of rescue, emergency medical, and law enforcement  
32 vehicles to be used for those purposes."

33

34 SECTION 2. Arkansas Code § 27-22-104 is amended to read as follows:

35 "27-22-104. Insurance required - Minimum coverage.

36 (a)(1) It shall be unlawful for any person to operate a motor vehicle

1 within this state unless the ~~person~~ vehicle is covered by a certificate of  
2 self-insurance under the provisions of § 27-19-107, or an insurance policy  
3 issued by an insurance company ~~or surety company~~ authorized to do business in  
4 this state.

5 (2) Failure to present proof of insurance coverage at the time of  
6 arrest and a failure of the vehicle insurance database to show current  
7 insurance coverage at the time of the traffic stop creates a rebuttable  
8 presumption that the motor vehicle ~~operator~~ is uninsured.

9 (b) The policy shall provide, as a minimum, the following  
10 coverage:

11 (1) Not less than twenty-five thousand dollars (\$25,000) for  
12 bodily injury or death of one (1) person in any one (1) accident;

13 (2) Not less than fifty thousand dollars (\$50,000) for bodily  
14 injury or death of two (2) or more persons in any one (1) accident; and

15 (3) If the accident has resulted in injury to or destruction of  
16 property, not less than fifteen thousand dollars (\$15,000) for the injury to  
17 or destruction of property of others in any one (1) accident.

18 (c)(1) If the operator of the motor vehicle is unable to present proof  
19 of the vehicle's insurance coverage as required in subsection (a) of this  
20 section when requested by a law enforcement officer or a check of the vehicle  
21 insurance database at the time of the traffic stop fails to show current  
22 insurance coverage, the operator shall be issued, in addition to any traffic  
23 citation issued for a violation of this section, a notice of noncompliance  
24 with the provisions of this section on a form to be provided to the Department  
25 of Finance and Administration.

26 (2) The officer shall forward a copy of the notice of  
27 noncompliance to the department within ten (10) days of issuance.

28 (3)(A) In addition, the officer shall remove and impound the  
29 license plate attached to the vehicle.

30 (B) The license plate shall be returned to the Office of  
31 Driver Services of the Department of Finance and Administration or the local  
32 revenue office.

33 (d)(1) The law enforcement officer who removes and impounds the license  
34 plate pursuant to subdivision (c)(3)(A) of this section shall issue for  
35 attachment to the rear of the vehicle a temporary sticker denoting its use in  
36 lieu of an official license plate.

1                   (2) The sticker shall bear the date upon which it ~~was issued~~  
2 shall expire in written or stamped numerals or alphabetic characters not less  
3 than three inches (3") in height.

4                   (3) This temporary sticker shall only be effective for a period  
5 of ten (10) days beginning from the day on which the license plate was taken.

6                   (4) The temporary stickers shall be designed by the Department of  
7 Finance and Administration and supplied, at no cost, to all law enforcement  
8 agencies authorized to enforce traffic laws in Arkansas.

9                   (e)(1) Upon receipt of the notice of noncompliance by the Department of  
10 Finance and Administration, the department shall proceed to suspend the  
11 registration of the uninsured vehicle effective ten (10) days after the  
12 license plate was taken and the notice of noncompliance was issued.

13                   (2) However, if the vehicle was insured at the time of the  
14 offense, the owner of the vehicle shall have ten (10) days to present proof of  
15 insurance coverage or other financial security in effect at the time of the  
16 offense, whereupon the license plate shall be returned at no cost to the owner  
17 of the vehicle.

18                   (f) Any suspension by the department under this section shall be  
19 subject to the notice and hearing provisions of § 27-19-404 and shall remain  
20 in effect and no registration shall be renewed for or issued to any person  
21 whose vehicle registration is so suspended until:

22                   (1) The person shall deposit or there shall be deposited on his  
23 behalf sufficient security as provided for under the Motor Vehicle Safety  
24 Responsibility Act, § 27-19-101 et seq.; or

25                   (2) The person shall furnish the department one of the following:

26                               (A) A certificate of self-insurance under the provisions of  
27 § 27-19-107; or

28                               (B) A sufficient insurance policy issued by an insurance  
29 company ~~or surety company~~ authorized to do business in this state.

30                   (g)(1) In order to reinstate the suspended registration and be reissued  
31 a license plate for any suspended motor vehicle, the owner shall present the  
32 proof of renewed or new financial coverage required in subdivision (f)(1) or  
33 (2) of this section to the department and shall pay to the department a twenty  
34 dollar (\$20.00) fee for reinstatement of the registration and reissuance of  
35 the license plate.

36                   (2) The revenues derived from this reinstatement fee shall be

1 deposited as a special revenue to the State Central Services Fund and credited  
2 as a direct revenue to be used by the Department of Finance and Administration  
3 to offset the costs of administering this section.

4 (3) This fee shall be in addition to any other fines, fees, or  
5 other penalties for other violations of this section.

6 (h) The Department of Finance and Administration shall promulgate  
7 necessary rules and regulations for the administration of this section."  
8

9 SECTION 3. Arkansas Code § 27-22-105 is amended to read as follows:

10 "27-22-105. Inadequate insurance during an accident - Penalty.

11 (a) When the operator of any motor vehicle is involved in a motor  
12 vehicle accident in this state and the vehicle is found not to be adequately  
13 insured, as required by § 27-22-104(a)(1), the operator shall be deemed guilty  
14 of a Class A misdemeanor.

15 (b) In addition, if a person is convicted of driving an inadequately  
16 insured vehicle which has been involved in an accident under subsection (a) of  
17 this section, the court may order that the vehicle be impounded until proof of  
18 vehicle insurance coverage is made to the court. The owner of the vehicle  
19 impounded shall be responsible for all costs of impoundment."  
20

21 SECTION 4. Chapter 22 of Title 27 of the Arkansas Code of 1987,  
22 Annotated is amended to add a new Section 27-22-107 to read as follows:

23 "27-22-107. Motor vehicle insurance reporting.

24 (a) Beginning January 1, 1998, each insurance company providing motor  
25 vehicle liability insurance coverage required under subsection (a) of  
26 § 27-22-104 shall, before the seventh day of each calendar month, provide to  
27 the Revenue Division, Department of Finance and Administration, a record of  
28 each motor vehicle insurance policy in effect as of the previous month that  
29 was issued by the insurance company. The reports shall be provided to the  
30 Revenue Division through any means of electronic or electro-magnetic medium  
31 available to and approved by the Department, unless the insurance company  
32 qualifies for an exception to this electronic reporting requirement as a  
33 result of being a small or low-volume insurer as may otherwise be provided for  
34 under regulations promulgated by the Department.

35 (b) The reports may include:

36 (1) the name, date of birth, driver license number of each

1 insured owner or operator, and the address of the named insured;

2 (2) the make, year, and vehicle identification number of each  
3 insured vehicle; and

4 (3) the policy number, effective date, and expiration date of each  
5 policy.

6 (c) The Department of Finance and Administration may, following  
7 procedures set forth in regulations promulgated by the Department, assess a  
8 penalty against each insurance company of up to two hundred and fifty dollars  
9 (\$250.00) for each day the insurance company fails to comply with this  
10 section. If an insurance company shows that the failure to comply with this  
11 section was inadvertent, accidental, outside of the control of the company, or  
12 the result of excusable neglect, the Director may excuse the penalty. The  
13 monies collected from these penalties shall be deposited as a special revenue  
14 to the State Central Services Fund and the net amount shall be credited as a  
15 direct revenue to be used by the Department of Finance and Administration to  
16 offset the costs of administering this section.

17 (d) The Department of Finance and Administration shall promulgate  
18 necessary rules and regulations for the administration of this section."

19

20 SECTION 5. Subchapter 4 of Title 27, Chapter 14 of the Arkansas Code of  
21 1987, Annotated is amended to add a new Section 27-14-414 to read as follows:

22 "27-14-414. Vehicle Insurance Database.

23 (a) There is created within the Revenue Division of the Department of  
24 Finance and Administration the Vehicle Insurance Database to develop,  
25 establish, and maintain a database of information to verify compliance with  
26 the motor vehicle liability insurance laws of Arkansas in Chapter 22 of Title  
27 27 of the Arkansas Code of 1987, Annotated.

28 (b) The database shall be administered by the Revenue Division with the  
29 assistance of the Department of Computer Services or any other designated  
30 agent which may be contracted to supply technical database and data processing  
31 expertise. The vehicle insurance database shall be developed and maintained in  
32 accordance with guidelines established by the Revenue Division so the state  
33 and local law enforcement agencies can access the database to check the  
34 current insurance coverage on motor vehicles in Arkansas required to maintain  
35 current liability insurance as required by law.

36 (c) The Revenue Division shall have the authority to enter into or make

1 agreements, arrangements, or declarations necessary to carry out the  
2 provisions of this section.

3 (d) The Director of the Department of Finance and Administration shall  
4 have the authority to adopt rules and regulations necessary to carry out the  
5 provisions of this section. The reports shall be retained by the Department  
6 so to keep a twelve (12) month history of the insurance record of the vehicle  
7 for at least the preceding full twelve (12) month period.

8 (e)(1) Upon request, the Department may release an individual's  
9 information in the database to:

10 (A) that individual;

11 (B) the parent or legal guardian of that individual who is  
12 under eighteen (18) years of age or who is legally incapacitated;

13 (C) state and local law enforcement agencies, the Arkansas  
14 Crime Information Center, or to other government offices upon showing of need.

15 (2) Otherwise, all data and information received by the Vehicle  
16 Insurance Database are confidential and are not subject to examination or  
17 disclosure as public information under the Freedom of Information Act,  
18 §§ 25-19-101, et seq.

19 (f) The Department of Finance and Administration or the reporting  
20 company shall not be liable for any damages to any property or person due to  
21 any act or omission in the reporting or keeping of any record or information  
22 under this database or the issuing or renewing of any motor vehicle  
23 registration in accordance with this database."

24

25 SECTION 6. Arkansas Code § 27-13-102 is amended to read as follows:  
26 "27-13-102. Proof of insurance required.

27 (a)(1) ~~No~~ Prior to January 1, 1998, no motor vehicle license plate  
28 shall be issued or renewed without satisfactory proof to the Department of  
29 Finance and Administration that the applicant meets the requirements of  
30 § 27-22-101 et seq.

31 (2) Beginning January 1, 1998, no motor vehicle license plate  
32 shall be issued or renewed unless a check of the vehicle insurance database  
33 indicates that the applicant meets the requirements of § 27-22-101 et seq. or  
34 unless the applicant provide satisfactory proof to the Department of Finance  
35 and Administration that the applicant's vehicle meets the motor vehicle  
36 liability insurance requirements of § 27-22-101 et seq.

