

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 125

4  
5 By: Senator Hendren  
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## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE PROCEDURE FOR UPDATING THE  
10 VEHICLE INSURANCE DATABASE; TO ESTABLISH A  
11 PROCEDURE FOR THE REVOCATION AND REINSTATEMENT OF  
12 REGISTRATION OF A MOTOR VEHICLE DUE TO LACK OF  
13 LIABILITY INSURANCE FOR THREE (3) CONSECUTIVE  
14 MONTHS; AND FOR OTHER PURPOSES.

## Subtitle

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17 TO CLARIFY THE PROCEDURE FOR UPDATING  
18 THE VEHICLE INSURANCE DATABASE.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 27, Chapter 22, Subchapter 1 is amended  
24 to add an additional section to read as follows:

25 27-22-109. Motor vehicle insurance comparison – Registration,  
26 revocation, and reinstatement procedures.

27 (a) The Director of the Department of Finance and Administration at  
28 least monthly shall compare all current motor vehicle registrations in the  
29 Vehicle Insurance Database to the information provided to the Department of  
30 Finance and Administration under § 27-22-107.

31 (b)(1) If the comparison under subsection (a) of this section shows  
32 that a motor vehicle has not been insured for three (3) consecutive months,  
33 the department shall provide notice of noncompliance to the owner of the  
34 motor vehicle.

35 (2) The owner has thirty (30) days to provide the department  
36 with proof that the vehicle is covered by either:



1                   (A) A certificate of self-insurance under § 27-19-107; or

2                   (B) An insurance policy with the coverage required under §  
3 27-22-104 issued by an insurance company authorized to do business in this  
4 state.

5           (c)(1)(A) If the owner fails to provide satisfactory proof under  
6 subsection (b) of this section, the department shall suspend the registration  
7 of the uninsured vehicle.

8                   (B) The suspension of the registration of the uninsured  
9 vehicle shall be effective upon the expiration of the thirty-day period.

10           (2) The department shall not reissue a registration for a motor  
11 vehicle or have a registration renewed on a motor vehicle that is suspended  
12 under this subsection unless the owner:

13                   (A) Presents proof of insurance coverage or other  
14 financial security; and

15                   (B) Pays the reinstatement fees provided for in subsection  
16 (e) of this section.

17           (3)(A) If the owner presents proof within thirty (30) days of  
18 the notice being sent under subsection (b) of this section that insurance  
19 coverage or other financial security was in effect at the time the notice was  
20 sent, the vehicle insurance database shall be updated and the registration  
21 suspension actions shall cease at no cost to the owner of the vehicle.

22                   (B) If the owner presents proof more than thirty (30) days  
23 after the notice was sent under subsection (b) of this section that insurance  
24 coverage or other financial security was in effect at the time the notice was  
25 sent, the vehicle insurance database shall be updated and the registration  
26 shall be restored effective on the date the proof is presented for a fee not  
27 to exceed five dollars (\$5.00).

28           (d)(1) If the department suspends a motor vehicle registration under  
29 this section, the suspension is subject to the notice and hearing procedures  
30 under § 27-19-404.

31           (2) A motor vehicle registration that is suspended under this  
32 section shall remain suspended and not be renewed or issued until:

33                   (A) The owner or someone acting on the owner's behalf  
34 deposits sufficient security as provided for under the Motor Vehicle Safety  
35 Responsibility Act, § 27-19-101 et seq.; or

36                   (B) The owner furnishes the department one (1) of the

1 following:

2 (i) A certificate of self-insurance under § 27-19-  
3 107; or

4 (ii) An insurance policy in amounts required under §  
5 27-22-104 issued by an insurance company authorized to do business in this  
6 state.

7 (e)(1) To reinstate the suspended registration and be issued a new or  
8 renewed registration for any suspended motor vehicle, the owner shall:

9 (A) Present to the department proof of renewed or new  
10 financial coverage required under subsection (d) of this section; and

11 (B) Pay a fee of fifty dollars (\$50.00) to the department.

12 (2) The revenues derived from this reinstatement fee shall be  
13 deposited as special revenues to the State Central Services Fund and credited  
14 as direct revenues to be used by the department to offset the costs of  
15 administering this section.

16 (3) This fee shall be in addition to any registration fees,  
17 other fees, or other penalties for violations of the motor vehicle  
18 registration laws that are due and payable at the time of reinstatement.

19 (f)(1)(A) The registration of a vehicle that is out of service shall  
20 be suspended upon receipt of a notice from the owner stating that the vehicle  
21 is out of service.

22 (B) When the vehicle is returned to service, the owner  
23 shall submit proof of insurance coverage or other financial security and the  
24 registration shall be restored at no charge.

25 (2) The out-of-service notice shall be on a form designed and  
26 approved by the director.

27 (g) The department shall promulgate necessary rules for the  
28 administration of this section.

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