

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: H3/29/19

A Bill

HOUSE BILL 1945

5 By: Representatives Holcomb, Perry
6 By: Senator K. Hammer
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING MOTOR VEHICLE
10 REGISTRATION AND LICENSING; TO AMEND THE ARKANSAS
11 ONLINE INSURANCE VERIFICATION SYSTEM ACT; AND FOR
12 OTHER PURPOSES.
13
14

Subtitle

16 TO AMEND THE LAW CONCERNING MOTOR VEHICLE
17 REGISTRATION AND LICENSING; AND TO AMEND
18 THE ARKANSAS ONLINE INSURANCE
19 VERIFICATION SYSTEM ACT.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 19-15-922, concerning the State Insurance
25 Department Trust Fund, is amended to add an additional subsection to read as
26 follows:

27 (c) Annually by June 30, one million five hundred thousand dollars
28 (\$1,500,000) shall be transferred from the State Insurance Department Trust
29 Fund to the State Central Services Fund for the use of the Revenue Services
30 Division of the Department of Finance Administration for expenses related to
31 the online insurance verification system established under the Arkansas
32 Online Insurance Verification System Act, § 27-22-201 et seq. and other
33 related costs.
34

35 SECTION 2. Arkansas Code § 19-6-802(b), concerning the Arkansas
36 Citizens First Responder Safety Enhancement Fund, is amended to read as



1 follows:

2 (b) The fund shall consist of:

3 (1) ~~eighty~~ Eighty percent (80%) of the fines collected under §
4 27-22-111(a); and

5 (2) The fines collected under § 27-22-103(c)(1).

6
7 SECTION 3. Arkansas Code § 27-13-102(b)(1), concerning proof of
8 insurance required for motor vehicle registration and licensing, is amended
9 to read as follows:

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

15
16 SECTION 4. Arkansas Code § 27-22-103(a), concerning the minimum and
17 maximum penalty for operating a motor vehicle without insurance, is amended
18 to read as follows:

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

25
26 SECTION 5. Arkansas Code § 27-22-103(c), concerning the collection of
27 a fine for operating a motor vehicle without insurance, is amended to read as
28 follows:

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

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

36 (d) If the arresting officer is:

1 (1) An officer of the Department of Arkansas State Police, the
2 remainder of the fine collected shall be remitted by the tenth day of each
3 month to the Administration of Justice Funds Section of the Office of
4 Administrative Services of the Department of Finance and Administration, on a
5 form provided by ~~that office~~ the Office of Administrative Services, for
6 deposit into the Department of Arkansas State Police Fund to be used for the
7 purchase and maintenance of state police vehicles;

8 (2) A county law enforcement officer, the remainder of the fine
9 collected shall be deposited into that county fund used for the purchase and
10 maintenance of rescue, emergency medical, and law enforcement vehicles,
11 communications equipment, animals owned or used by law enforcement agencies,
12 life-saving medical apparatus, and law enforcement apparatus to be used for
13 those purposes; or

14 (3) A municipal law enforcement officer, the remainder of the
15 fine collected shall be deposited into that municipal fund used for the
16 purchase and maintenance of rescue, emergency medical, and law enforcement
17 vehicles, communications equipment, animals owned or used by law enforcement
18 agencies, life-saving medical apparatus, and law enforcement apparatus to be
19 used for those purposes.

20
21 SECTION 6. Arkansas Code § 27-22-104(a)(2)(A), concerning minimum
22 coverage of motor vehicle insurance required, is amended to read as follows:

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

29 There is a rebuttable presumption that the motor vehicle or its
30 operation is uninsured if:

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

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

36

1 SECTION 7. Arkansas Code § 27-22-107(b)(1), concerning motor vehicle
2 insurance reporting, is amended to read as follows:

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

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

5 (B) The make, year, and vehicle identification number of
6 each insured vehicle; and

7 (C) The policy number, effective date, and expiration date
8 of each policy, and the National Association of Insurance Carriers
9 Commissioners company code number, ~~and the name of each driver excluded from~~
10 ~~coverage.~~

11
12 SECTION 8. Arkansas Code § 27-22-111(c), concerning the fines for
13 failure to present proof of insurance at the time of a traffic stop, is
14 amended to read as follows:

15 (c) The fines collected under this section shall be distributed as
16 follows:

17 (1) Eighty percent (80%) shall be paid to the Treasurer of State
18 for the benefit of the Arkansas Citizens First Responder Safety Enhancement
19 Fund by the tenth day of each month; and

20 (2) Twenty percent (20%) shall be retained by the court that
21 tries the offense.

22
23 SECTION 9. Arkansas Code § 27-22-202(2), concerning the definitions
24 used in the Arkansas Online Insurance Verification System Act, is amended to
25 read as follows:

26 (2) "Commercial automobile liability insurance policy" means an
27 insurance policy:

28 (A) That is written on either a commercial coverage or
29 other commercially rated personal policy form, including without limitation a
30 commercial auto, garage, or truckers form, and that is ~~is~~ not dependent on
31 the type, number, or ownership of vehicle or entity covered or insured; and

32 (B) That insures vehicles not identified individually by a
33 vehicle identification number on the policy;

34
35 SECTION 10. Arkansas Code § 27-22-203(b)(2), concerning the
36 establishment of an online insurance verification system, is amended to read

1 as follows:

2 (2) Establish the online insurance verification system framework
3 necessary to assist insurers using multiple keys for greater matching
4 accuracy, including without limitation:

5 (A) National Association of Insurance Commissioners
6 ~~insurer~~ company code numbers;

7 (B) ~~Motor vehicle~~ Vehicle identification numbers;

8 (C) Policy numbers; and

9 (D) Other key or keys specified by the advisory group; and
10

11 SECTION 11. Arkansas Code § 27-22-204(3), concerning the functions of
12 the online insurance verification system, is amended to read as follows:

13 (3) Be able to access insurers by using multiple keys for
14 greater matching accuracy, including without limitation:

15 (A) The National Association of Insurance Commissioners
16 ~~insurer~~ company code number assigned by the National Association of Insurance
17 Commissioners;

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

19 (C) The policy number; and

20 (D) Other key or keys specified by the advisory group;
21

22 SECTION 12. Arkansas Code § 27-22-204(5), concerning the functions of
23 the online insurance verification system, is amended to read as follows:

24 (5) Utilize open and ~~agreed-to~~ agreed-upon data and data
25 transmission standards and standard schema as specified by the advisory
26 group.
27

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

31 (2) Maintain the data necessary to verify insurance status
32 through the online insurance verification system for a period to be specified
33 by the advisory group established under § 27-22-203, allowing for the
34 printing of renewal notices, online ~~multi-year~~ multiyear renewals, and
35 renewals at all state revenue offices;
36

1 SECTION 14. Arkansas Code § 27-22-205(a)(4), concerning the online
2 insurance verification system and the responsibilities of an insurer, is
3 amended to read as follows:

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

7
8 SECTION 15. Arkansas Code § 27-22-205(a)(7), concerning the online
9 insurance verification system and the responsibilities of an insurer, is
10 amended to read as follows:

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

13
14 SECTION 16. Arkansas Code § 27-22-206(b), concerning the online
15 insurance verification system and the responsibilities of the Department of
16 Finance and Administration, is amended to read as follows:

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

20
21 SECTION 17. Arkansas Code § 27-22-209(b), concerning the suspension of
22 registration, is amended to read as follows:

23 (b) The department, or a designated ~~third-party~~ third party will
24 provide notification of the suspension to the owner of the motor vehicle.

25
26 SECTION 18. Arkansas Code § 27-22-210(c) and (d), concerning penalties
27 under the Arkansas Online Insurance Verification System Act, are amended to
28 read as follows:

29 (c)(1) For the purposes of this section, ~~the reference herein to~~
30 ~~operating a motor vehicle shall be satisfied whenever it is apparent that the~~
31 ~~vehicle has traveled any distance upon a public road or highway and a law~~
32 ~~enforcement officer may have only observed the results of finding the vehicle~~
33 ~~stopped either on or off the public road or highway, as for example when the~~
34 ~~vehicle has come to a stop after an accident~~ "operates a motor vehicle" or
35 "operation of a motor vehicle" means that a motor vehicle has traveled any
36 distance upon a public road or highway, even if a law enforcement officer has

1 only observed the results of the distance traveled, including without
2 limitation the motor vehicle's being stopped on or off the public road or
3 highway after an accident.

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

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

9 (1) Alters, forges, or counterfeits an insurance card in either
10 paper form or electronic form to make it appear valid; or

11 (2) Makes, sells, or otherwise makes available an invalid or
12 counterfeit insurance card in either paper form or electronic form, or other
13 evidence of insurance.

14
15 SECTION 19. Arkansas Code § 27-22-210, concerning the penalties for
16 operating a motor vehicle without insurance, is amended to add an additional
17 subsection to read as follows:

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

24
25 SECTION 20. Arkansas Code § 27-22-211(a), concerning registration and
26 licensing, is amended to read as follows:

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

30
31 SECTION 21. Arkansas Code § 27-22-211(c), concerning registration and
32 licensing, is amended to read as follows:

33 (c)(1) A vehicle registration or renewal shall not be issued ~~to~~ for a
34 motor vehicle unless the department receives proof of insurance in either
35 paper form or electronic form or verification of motor vehicle liability
36 insurance through the online insurance verification system that provides the

1 minimum motor vehicle insurance coverage required by § 27-22-104.

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

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

11
12 SECTION 22. TEMPORARY LANGUAGE. DO NOT CODIFY. The Department of
13 Finance and Administration shall implement the terms of the online insurance
14 verification system established under the Arkansas Online Insurance
15 Verification System Act, § 27-22-201 et seq., by January 1, 2020.

16
17 SECTION 23. TEMPORARY LANGUAGE. DO NOT CODIFY. Until the online
18 insurance verification system goes into effect on January 1, 2020, an insurer
19 required to submit motor vehicle insurance information under the Arkansas
20 Online Insurance Verification System Act, § 27-22-201 et seq., shall continue
21 to submit the required information as presently required by the Department of
22 Finance and Administration.

23
24 SECTION 24. TEMPORARY LANGUAGE. Contingent effective date.

25 Section 2 and Section 5 of this act are effective on and after the date
26 the Director of the Department of Finance and Administration and the advisory
27 group established under § 27-22-203:

28 (1) Determine that the online insurance verification system
29 established under the Arkansas Online Insurance Verification System Act, §
30 27-22-201 et seq. is fully operational; and

31 (2) Notify the Legislative Council and the Director of the
32 Bureau of Legislative Research that the first fifteen dollars (\$15.00) of a
33 fine assessed under § 27-22-103(a) or § 27-22-103(b) may be paid to the
34 Treasurer of State for the benefit of the Arkansas Citizens First Responder
35 Safety Enhancement Fund.

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/s/Holcomb