

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1613

As Engrossed: 3/9/2015

Bill Subtitle: TO CREATE A DRIVER MONITORING PROGRAM ADMINISTERED BY THE OFFICE OF DRIVER SERVICES; AND TO AUTHORIZE THE OFFICE OF DRIVER SERVICES TO FURNISH DRIVER MONITORING REPORTS.

Basic Change : Sponsor: Rep. Hickerson and Sen. Hickey

This bill as engrossed with amendment 1 creates a Driver Monitoring Program to be administered by the Office of Driver Services (DS) to monitor certain driver records and furnish driver monitoring reports for a fee. Amendment 1 corrects clerical errors in numbering of 2 sections. Section 1 as engrossed with amendment 1 clarifies that the \$10 fee now charged to employers for commercial driving records is to be distributed with \$4.00 of the fee shall be deposited in the DFA Commercial Driver License Fund and the remaining \$6.00 of the fee is to be deposited to the credit of the State Highway and Transportation Department (AHTD) Fund. In addition, the other driving records sold for a \$7.00 fee are to be distributed \$6.00 to the AHTD Fund and the remaining \$1.00 to the DFA Commercial Driver License Fund. These fees and distributions are the same as current law; this bill just clarifies the distribution.

The bill as engrossed provides that the notice and information required to be sent when a driver monitoring report is furnished will not be required for the Driver Monitoring Program. The bill also clarifies that the Information Network of Arkansas may charge an additional fee for the service of transmitting driver records or the Driver Monitoring Program electronically.

The bill as engrossed authorizes DS to provide a driver monitoring report to an insurer or the authorized agent of an insurance company, indicating whether a driver had a traffic violation or accident during the previous month. The driver monitoring report will not identify the specific violation or violations posted on the driving record. The insurer may only use this report to evaluate the driving record of current policy holders for re-underwriting purposes. DS is authorized to charge a monthly fee of not less than 12¢ or more than 19¢ for each insured monitored. The fee will be distributed 1¢ to the AHTD Fund and the remainder to the State Central Services Fund as direct revenue to be used by the Revenue Division of DFA. In addition, the insurer is required to purchase a driving record for any monitored driver when the driver monitoring report indicates a violation has been posted to the driver's record during the previous month. The \$7.00 driving record purchased will have the fees distributed as specified in Section 1 of this bill. The bill is effective on or after January 1, 2016.

Revenue Impact :

DFA analysis indicates the new Driver Monitoring Program will be revenue neutral at the minimum monthly fee of 12¢ for each insured monitored.

Taxpayer Impact :

Insurers will analyze the records of the taxpayers that have new violations and accidents to determine if they will reinsure or raise rates. Taxpayers with no new violations or accidents may have their insurance rates reduced for their good driving record.

Resources Required :

Both DFA and INA will require programming and training to implement the Driver Monitoring Program.

Time Required :

The effective date is January 1, 2016 therefore no additional is required to implement.

Procedural Changes :

Procedures will be developed to implement this new program.

Legal Analysis :

Amendment 1 to HB1613 corrected a technical error in § 27-50-912(f).