

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.

INTERIM STUDY PROPOSAL 2009-045

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

SENATE BILL 125

By: Senator Hendren

Filed with: Senate Committee on Transportation, Technology and Legislative Affairs
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

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

Subtitle

TO CLARIFY THE PROCEDURE FOR UPDATING
THE VEHICLE INSURANCE DATABASE.

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

SECTION 1. Arkansas Code Title 27, Chapter 22, Subchapter 1 is amended to add an additional section to read as follows:

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

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

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



1 motor vehicle.

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

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

5 (B) An insurance policy with the coverage required under §
6 27-22-104 issued by an insurance company authorized to do business in this
7 state.

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

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

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

16 (A) Presents proof of insurance coverage or other
17 financial security; and

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

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

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

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

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

36 (A) The owner or someone acting on the owner's behalf

1 deposits sufficient security as provided for under the Motor Vehicle Safety
2 Responsibility Act, § 27-19-101 et seq.; or

3 (B) The owner furnishes the department one (1) of the
4 following:

5 (i) A certificate of self-insurance under § 27-19-
6 107; or

7 (ii) An insurance policy in amounts required under §
8 27-22-104 issued by an insurance company authorized to do business in this
9 state.

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

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

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

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

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

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

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

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

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