

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 By: Senator Gordon

# A Bill

SENATE BILL 140

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED 27-22-104 TO  
9 PROVIDE NOTIFICATION TO THE OFFICE OF DRIVER SERVICES OF  
10 MOTOR VEHICLE INSURANCE CANCELLATION AND TO PROVIDE FOR  
11 THE SUSPENSION OF THE UNINSURED MOTOR VEHICLE\_S  
12 REGISTRATION; AND FOR OTHER PURPOSES."

## Subtitle

14 "TO PROVIDE NOTIFICATION TO THE OFFICE OF DRIVER  
15 SERVICES OF VEHICLE INSURANCE CANCELLATION"  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code Annotated § 27-22-104 is amended to read as follows:

21 "27-22-104. Insurance required - Minimum coverage.

22 (a)(1) It shall be unlawful for any person to operate a motor vehicle within this state unless the person is covered by a certificate of  
23 self-insurance under the provisions of § 27-19-107, or an insurance policy issued by an insurance company or surety company authorized to do  
24 business in this state.

25 (2) Failure to present proof of insurance coverage at the time of arrest creates a rebuttable presumption that the motor  
26 vehicle operator is uninsured.

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

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

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

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

34 (c)(1) If the operator of the motor vehicle is unable to present proof of insurance coverage as required in subsection (a) of this section  
35 when requested by a law enforcement officer, the operator shall be issued, in addition to any traffic citation issued for a violation of this section, a  
36 notice of noncompliance with the provisions of this section on a form to be provided to the Department of Finance and Administration.

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

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

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

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

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

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

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

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

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

19 (f)(1) Upon the cancellation or termination of any insurance coverage required under subsection (a) of § 27-22-104, the insurance  
20 company or surety company shall immediately notify the Department of Finance and Administration Office of Driver Services and the person  
21 covered by the policy of the cancellation or termination. The notice shall be provided to the Office of Driver Services in a manner and by means  
22 approved by the Department of Finance and Administration. However, the insurer shall keep the insurance in full force and effect until notice of  
23 cancellation is received, and receipt acknowledged, by the Office of Driver Services.

24 (2) In the event that any person whose policy is cancelled or terminated shall fail to provide satisfactory proof of a new  
25 certificate of self-insurance or an insurance policy for coverage as required under this section to the Department of Finance and Administration  
26 Office of Driver Services within ten (10) days of receiving the notice of the cancellation or termination, the Department of Finance and  
27 Administration Office of Driver Services shall thereupon suspend the registration of the uninsured vehicles subject to registration under the laws of  
28 this state. Furthermore, if the Office of Driver Services finds that the registered owner of the uninsured vehicle has ever been convicted of  
29 violating the Omnibus DWI Act (Arkansas Code Annotated §§ 5-65-101, et seq.) or the Underage DUI Law (Arkansas Code Annotated  
30 §§ 5-65-301 et seq.), then the Office of Driver Services shall immediately notify the appropriate court of the insurance cancellation.

31 (fg) Any suspension by the department under this section shall be subject to the notice and hearing provisions of Arkansas Code  
32 § 27-19-404 and shall remain in effect and no registration shall be renewed for or issued to any person whose vehicle registration is so  
33 suspended until:

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

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

- 1 (A) A certificate of self-insurance under the provisions of Arkansas Code § 27-19-107; or
- 2 (B) A sufficient insurance policy issued by an insurance company or surety company authorized to do business
- 3 in this state.

4 (h) After the registration for the vehicle has been suspended for more than ten (10) days, the Department of Finance and  
 5 Administration Office of Driver Services shall notify the sheriff of the county wherein the vehicle was registered. Upon receipt of the notification,  
 6 the sheriff shall proceed to the last known address of the vehicle and remove from the vehicle and seize the license plate issued for that motor  
 7 vehicle. The license plate shall be returned to the Department of Finance and Administration Office of Driver Services or the local Revenue  
 8 office.

9 ~~\_\_\_\_\_ (g)(1)(i)~~ In order to reinstate the suspended registration and be reissued a license plate for any suspended motor vehicle, the owner  
 10 person shall present the proof of renewed or new financial coverage required in subdivision (f)(g)(1) or (2) of this section to the department and  
 11 shall pay to the department a ~~twenty dollar (\$20.00)~~ fifty dollar (\$50.00) fee for reinstatement of the registration and reissuance of the license  
 12 plate. For each license plate recovered by a county sheriff, the Department of Finance and Administration Office of Driver Services shall pay to  
 13 the respective county treasury for the benefit of the sheriff s office the sum of twenty-five dollars (\$25.00) of any reinstatement fees collected by  
 14 the Department of Finance and Administration Office of Driver Services for the suspended motor vehicle. The remainder of the moneys collected  
 15 from this fee shall be deposited as a special revenue to the State Central Services Fund and the net amount shall be credited as a direct revenue to  
 16 be used by the Department of Finance and Administration to offset the costs of administering this section. This reinstatement fee shall be in  
 17 addition to any other fines, fees, or other penalties for violations of this chapter.

18 ~~\_\_\_\_\_ (2) The revenues derived from this reinstatement fee shall be deposited as a special revenue to the State Central Services~~  
 19 ~~Fund and credited as a direct revenue to be used by the Department of Finance and Administration to offset the costs of administering this section.~~

20 ~~\_\_\_\_\_ (3) This fee shall be in addition to any other fines, fees, or other penalties for other violations of this section.~~

21 (hj) The Department of Finance and Administration shall promulgate necessary rules and regulations for the administration of this  
 22 section."

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 24 SECTION 2. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated  
 25 and the Arkansas Code Revision Commission shall incorporate the same in the Code.

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 27 SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity  
 28 shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the  
 29 provisions of this act are declared to be severable.

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 31 SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.

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