

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: H3/29/19  
**A Bill**

HOUSE BILL 1945

By: Representatives Holcomb, Perry  
By: Senator K. Hammer

### **For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING MOTOR VEHICLE  
REGISTRATION AND LICENSING; TO AMEND THE ARKANSAS  
ONLINE INSURANCE VERIFICATION SYSTEM ACT; AND FOR  
OTHER PURPOSES.

### **Subtitle**

TO AMEND THE LAW CONCERNING MOTOR VEHICLE  
REGISTRATION AND LICENSING; AND TO AMEND  
THE ARKANSAS ONLINE INSURANCE  
VERIFICATION SYSTEM ACT.

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

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

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

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



follows:

(b) The fund shall consist of:

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

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

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

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

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

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

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

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

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

(d) If the arresting officer is:

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

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

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

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

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

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

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

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

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

(b)(1) The reports shall include:

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

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

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

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

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

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

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

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

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

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

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

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

as follows:

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

- (A) National Association of Insurance Commissioners ~~insurer~~ company code numbers;
- (B) ~~Motor vehicle~~ Vehicle identification numbers;
- (C) Policy numbers; and
- (D) Other key or keys specified by the advisory group; and

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

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

- (A) The National Association of Insurance Commissioners ~~insurer~~ company code number assigned by the National Association of Insurance Commissioners;
- (B) The ~~motor~~ vehicle identification number;
- (C) The policy number; and
- (D) Other key or keys specified by the advisory group;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 24. TEMPORARY LANGUAGE. Contingent effective date.

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

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

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

*/s/Holcomb*