

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: S2/10/25

A Bill

SENATE BILL 179

5 By: Senator J. Boyd
6 By: Representative L. Johnson
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE STRENGTHEN ARKANSAS HOMES
10 ACT; TO CREATE THE STRENGTHEN ARKANSAS HOMES PROGRAM
11 PREMIUM TAX FUND; AND FOR OTHER PURPOSES.
12
13

Subtitle

15 TO ESTABLISH THE STRENGTHEN ARKANSAS
16 HOMES ACT; AND TO CREATE THE STRENGTHEN
17 ARKANSAS HOMES PROGRAM PREMIUM TAX FUND.
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 19-6-301, concerning special revenues
22 enumerated, is amended to add an additional subdivision to read as follows:

23 (276) Those insurance premium taxes as specified in § 26-57-610.
24

25 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
26 to add an additional section to read as follows:

27 19-6-845. Strengthen Arkansas Homes Program Premium Tax Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
30 fund to be known as the "Strengthen Arkansas Homes Program Premium Tax Fund".

31 (b) The fund shall consist of those special revenues as specified in §
32 19-6-301(276), there to be used for the Strengthen Arkansas Homes Program as
33 set out in § 23-88-601 et seq.

34 (c)(1) The fund shall be administered by and disbursed at the
35 direction of the Insurance Commissioner.

36 (2) Moneys shall not be appropriated from the fund for any



1 purpose except for the Strengthen Arkansas Homes Program.

2 (d) All moneys deposited into the fund shall not be subject to a
3 deduction, tax, levy, or other type of assessment.

4
5 SECTION 3. Arkansas Code § 23-75-119(a), concerning the premium tax on
6 hospital and medical services corporations, is amended to read as follows:

7 (a)(1) The officers of every foreign or alien corporation, and the
8 officers of every domestic corporation, transacting business under this
9 chapter shall, at the time of making its annual statement, file with the
10 Insurance Commissioner a sworn statement of its net direct written premiums
11 for the year ending December 31 next preceding from subscribers residing in
12 this state and shall pay into the State Treasury a premium tax of two and
13 one-half percent (2.5%) on its net direct written premiums in compliance with
14 the provisions of § 26-57-601 et seq. as a tax for the privilege of
15 transacting business in this state.

16 (2) The total premium tax levied under subdivision (a)(1) of
17 this section shall be levied in two (2) parts as follows:

18 (A) After the distribution of the amount stated under
19 subdivision (a)(1) of this section, twelve million dollars (\$12,000,000), or
20 as much as remains available for a total of twelve million dollars
21 (\$12,000,000), shall be deposited into the Strengthen Arkansas Homes Program
22 Premium Tax Fund to be used for the purposes stated under § 23-88-610; and

23 (B) The remainder of revenues shall be deposited into the
24 State Treasury as general revenues.

25
26 SECTION 4. Arkansas Code § 23-76-131(c), concerning the distribution
27 of the tax revenue generated by the tax on premiums paid to health
28 maintenance organizations, is amended to read as follows:

29 (c)(1) The premium tax levied under this section shall be levied in
30 two (2) parts as follows:

31 (A) After the distribution of the amount computed under
32 subdivision (a)(1)(B) of this section, twelve million dollars (\$12,000,000),
33 or as much as remains available for a total of twelve million dollars
34 (\$12,000,000), shall be deposited into the Strengthen Arkansas Homes Program
35 Premium Tax Fund to be used for the purposes stated under § 23-88-610; and

36 (B) The remainder of revenues shall be deposited into the

1 State Treasury as general revenues.

2 (2) The commissioner shall deposit all taxes collected under
3 this section into the State Treasury as general revenues as follows:

4 (A) After the distribution of the amount stated under
5 subdivision (a)(1)(B) of this section, twelve million dollars (\$12,000,000),
6 or as much as remains available for a total of twelve million dollars
7 (\$12,000,000), shall be deposited into the fund to be used for the purposes
8 stated under § 23-88-610; and

9 (B) The remainder of revenues shall be deposited into the
10 State Treasury as general revenues.

11
12 SECTION 5. Arkansas Code Title 23, Chapter 88, is amended to add an
13 additional subchapter to read as follows:

14
15 Subchapter 6 – Strengthen Arkansas Homes Act

16
17 23-88-601. Title.

18 This subchapter shall be known and may be cited as the "Strengthen
19 Arkansas Homes Act".

20
21 23-88-602. Definitions.

22 As used in this subchapter:

23 (1) "Certificate of compliance" means a certificate of
24 compliance with the most recent version of an applicable FORTIFIED Home
25 construction standard from the Insurance Institute for Business & Home Safety
26 or a successor entity;

27 (2) "Construct" means to build, equip, install, or otherwise
28 develop insurable property;

29 (3) "Cost to upgrade a single-family dwelling" means the cost
30 required to upgrade a single-family dwelling to meet or exceed the
31 construction standards required for the dwelling to comply with the most
32 recent version of an applicable FORTIFIED Home construction standards
33 published by the Insurance Institute for Business & Home Safety or a
34 successor entity;

35 (4)(A) "Insurable dwelling" means a single-family dwelling that
36 is a detached structure and is located on, or affixed to, residential real

1 estate.

2 (B) "Insurable dwelling" does not include manufactured
3 homes, mobile homes, or condominiums;

4 (5) "Non-FORTIFIED dwelling" means a dwelling that does not
5 comply with the most recent version of an applicable FORTIFIED Home
6 construction standards published by the Insurance Institute for Business &
7 Home Safety or a successor entity; and

8 (6)(A) "Retrofitting" is the process of modifying an existing
9 building or structure after it has been constructed and occupied.

10 (B) "Retrofitting" includes retrofit.

11
12 23-88-603. Strengthen Arkansas Homes Program.

13 (a) There is established within the State Insurance Department the
14 Strengthen Arkansas Homes Program.

15 (b) The program is created for the purpose of providing financial
16 grants to real property owners and nonprofit organizations to assist and
17 promote the mitigation of losses to insurable dwellings due to catastrophic
18 wind events, including hail, according to FORTIFIED Home construction
19 standards published by the Insurance Institute for Business & Home Safety or
20 a successor entity.

21 (c) This subchapter does not create an entitlement for a property
22 owner or obligate the state to fund the inspection, construction, or
23 retrofitting of residential property in this state.

24 (d) The department may apply for financial grants to construct or
25 retrofit insurable dwellings to resist loss due to a tornado, other
26 catastrophic windstorm events, or hail and deposit the funds into the
27 Strengthen Arkansas Homes Program Premium Tax Fund.

28 (e)(1) The department may make grants or funding available to a
29 nonprofit entity for a project to construct or retrofit an insurable dwelling
30 to resist loss due to a tornado, other catastrophic windstorm events, or hail
31 if the grant or funding to a nonprofit entity is allowable under grant or
32 funding rules, requirements, guidelines, or criteria.

33 (2) A nonprofit entity under subdivision (e)(1) of this section
34 shall:

35 (A) Agree to administer the grants or funding as the
36 program would be required to administer grants or funding; and

1 (B) Provide documentation to the department in a timely
2 manner as requested by the department.

3 (f)(1) Loss mitigation projects shall be based upon the securing of
4 required local permits and applicable inspections in keeping with local
5 building codes and the Insurance Institute for Business & Home Safety's
6 FORTIFIED Home construction standards as adopted by rule by the Insurance
7 Commissioner.

8 (2) A loss mitigation project is subject to random reinspection
9 of all projects under the program.

10
11 23-88-604. Eligibility.

12 (a)(1) The owner of an insurable dwelling is eligible to apply for a
13 grant under the Strengthen Arkansas Homes Program if the owner of an
14 insurable dwelling meets the eligibility requirements as stated by the State
15 Insurance Department for each grant type, either FORTIFIED Roof or FORTIFIED
16 Silver.

17 (2) The eligibility requirements under subdivision (a)(1) of
18 this section shall include without limitation:

19 (A) That the residential property owner shall own an
20 insurable dwelling that has been granted a homestead exemption;

21 (B) That the owner of the insurable dwelling shall claim
22 his or her primary residence in a county where grants are being approved;

23 (C) That an insurable dwelling to be constructed or
24 retrofitted shall be an owner-occupied single-family primary residence;

25 (D)(i) That the insurable dwelling shall be in good repair
26 unless damaged by a tornado, other catastrophic windstorm events, or hail,
27 and the insurable dwelling owner is eligible to receive a grant under the
28 Strengthen Arkansas Homes Act.

29 (ii) The home repair shall not be part of an
30 insurance claim;

31 (E)(i) That an evaluator certified by the Insurance
32 Institute for Business & Home Safety shall:

33 (a) Prequalify the insurable dwelling as
34 suitable for construction or retrofitting under the Strengthen Arkansas Homes
35 Program; and

36 (b) Identify improvements required to achieve

1 an Insurance Institute for Business & Home Safety FORTIFIED Roof, FORTIFIED
2 Silver, or successor designation, or a similar standard approved by rule by
3 the Insurance Commissioner.

4 (ii) An insurable dwelling owner shall:

5 (a) Select the evaluator under subdivision
6 (a)(2)(E)(i) of this section from a list provided by the department under the
7 Strengthen Arkansas Homes Program; and

8 (b) Pay the evaluator's fee out-of-pocket; and

9 (F) That the insurable dwelling owner shall:

10 (i) Obtain bids from at least three (3) contractors
11 certified by the Insurance Institute for Business & Home Safety and approved
12 under the Strengthen Arkansas Homes Program unless three (3) contractors
13 certified by the Insurance Institute for Business & Home Safety are not
14 available to provide bids in a geographic area where grants are offered, then
15 a bid equivalent to the number of available contractors certified by the
16 Insurance Institute for Business & Home Safety is acceptable;

17 (ii) Construct or retrofit the insurable dwelling to
18 the Insurance Institute for Business & Home Safety FORTIFIED Roof or
19 FORTIFIED Silver designation, or successor designation, or a similar standard
20 approved by rule by the commissioner, which shall include a hail supplement;

21 (iii)(a) Provide proof of an in-force policy
22 providing wind insurance on the insurable dwelling.

23 (b) If the insurable dwelling owner does not
24 have wind insurance at the time of the grant application, he or she shall
25 provide proof of wind insurance coverage within thirty (30) days from the
26 time the insurable dwelling receives certification from the Insurance
27 Institute for Business & Home Safety; and

28 (iv)(a) If the insurable dwelling is in a Special
29 Flood Hazard Area, provide proof of an in-force flood insurance policy.

30 (b) The flood insurance policy under
31 subdivision (a)(2)(F)(iv)(a) of this section may be from the National Flood
32 Insurance Program or a private carrier.

33 (b) An applicant for a Strengthen Arkansas Homes Program grant under
34 this subchapter shall file an application with the department in the form and
35 manner prescribed by the commissioner.

36 (c) Documents, materials, and other information submitted to the

1 department by the owner of an insurable dwelling or an insurance company in
2 support of a Strengthen Arkansas Homes Program grant application shall be
3 confidential and not subject to the Freedom of Information Act of 1967, § 25-
4 19-101 et seq.

5 (d)(1) Documents, materials, and other information submitted to the
6 department by the owner of an insurable dwelling or an insurance company
7 shall not be:

8 (A) Subject to a public records request under the Freedom of
9 Information Act of 1967, § 25-19-101 et seq.;

10 (B) Subject to subpoena;

11 (C) Subject to discovery; or

12 (D) Admissible in evidence in a private civil action.

13 (2) Subdivision (d)(1) of this section does not:

14 (A) Apply to the disclosure of documents, materials, or
15 other information to Arkansas Legislative Audit or to the Legislative Joint
16 Auditing Committee as otherwise authorized by law; or

17 (B) Preclude the subpoena authority under §§ 10-3-411 and
18 10-4-421.

19 (e) The owner of insurable dwelling shall use Strengthen Arkansas
20 Homes Program grant funds to retrofit an insurable dwelling to resist loss
21 due to a tornado, other catastrophic windstorm events, or hail.

22 (f)(1) A loss mitigation project shall be completed within three (3)
23 months of the date the applicant receives notice of the Strengthen Arkansas
24 Homes Program grant approval.

25 (2) Failure to complete the project in the time allotted under
26 subdivision (f)(1) of this section may result in forfeiture of the Strengthen
27 Arkansas Homes Program grant.

28 (g)(1) Strengthen Arkansas Homes Program grant funds shall only be
29 paid once a certificate has been issued for the Insurance Institute for
30 Business & Home Safety FORTIFIED Roof or FORTIFIED Silver designation, or
31 successor designation, as approved by the commissioner.

32 (2) The Strengthen Arkansas Homes Program grant funds shall be
33 paid by the commissioner, on behalf of the owner of the insurable dwelling,
34 directly to the contractor who performed the loss mitigation work.

35 (h)(1) The department shall accept Strengthen Arkansas Homes Program
36 grant applications on a first-come, first-served basis.

1 (2) An application submitted under subdivision (h)(1) of this
2 section shall be given priority if the applicant:

3 (A) Lives in a location that, based on historical data,
4 has a higher susceptibility to tornadoes, other catastrophic windstorm
5 events, or hail; or

6 (B) Meets any other criteria the commissioner determines
7 is appropriate to meet the purpose of the Strengthen Arkansas Homes Program.

8 (i) An entity providing funds to the Strengthen Arkansas Homes Program
9 shall be permitted to establish additional rules and guidelines under which
10 those funds may be used if the rules and guidelines do not violate any state
11 or federal law or department rules.

12 (j) The department may conduct a random audit of funds, records, and
13 properties to detect fraud or for any other reason.

14
15 23-88-605. Contractor requirements.

16 (a) Under the Strengthen Arkansas Homes Program, the owner of an
17 insurable dwelling shall hire a contractor certified by the Insurance
18 Institute for Business & Home Safety who can perform work that satisfies the
19 standards under this subchapter and the rules adopted by the Insurance
20 Commissioner.

21 (b) The State Insurance Department shall not endorse or otherwise
22 provide preferential treatment to a contractor.

23 (c)(1) The owner of an insurable dwelling is responsible for an amount
24 owed to a contractor that exceeds awarded program grant funds.

25 (2) The amount owed to a contractor that exceeds the awarded
26 program grant funds shall be disclosed to the owner, reflected on the bid
27 sheet, and approved by the owner before work begins.

28 (3) A contractor shall not bill the owner for additional
29 expenses after retrofit work is completed.

30 (d) To be eligible to work on a project funded by the program as a
31 contractor, a contractor shall:

32 (1) Meet the program requirements under subsection (e) of this
33 section; and

34 (2) Maintain a current copy of all applicable certificates,
35 licenses, and proof of insurance coverages with the program office.

36 (e) The program requirements for a contractor to participate in the

1 program include without limitation:

2 (1) That the contractor holds a valid and active contractor's
3 license or registration in Arkansas and is free from all disciplinary action
4 by the applicable licensing board;

5 (2) That the contractor is registered to do business in Arkansas
6 with the Secretary of State;

7 (3) That the contractor has an in-force general liability policy
8 with at least five hundred thousand dollars (\$500,000) in liability coverage;

9 (4) That the contractor has workers' compensation and employer's
10 liability insurance as required by Arkansas law;

11 (5)(A) That the contractor holds an active Insurance Institute
12 for Business & Home Safety FORTIFIED Roof contractor certification or
13 FORTIFIED professional certification.

14 (B) The contractor is responsible for paying all fees
15 associated with certification and training;

16 (6) That the contractor has successfully registered as a
17 supplier or payee with the Department of Finance and Administration;

18 (7) That the contractor shall maintain accurate contact
19 information with the State Insurance Department and notify the State
20 Insurance Department within ten (10) days of any changes in his or her
21 contact information;

22 (8) That the contractor agrees to follow the program's
23 procedures and rules as promulgated by the commissioner;

24 (9) That the contractor shall not have a financial interest in a
25 project funded by the program for which the contractor performs work other
26 than receiving payment on behalf of the owner of an insurable dwelling from
27 the program;

28 (10) That the contractor shall report to the program any
29 potential conflict of interest before work commences; and

30 (11) That the contractor shall not be the evaluator for a
31 project funded under the program.

32
33 23-88-606. Evaluator requirements.

34 (a) To be eligible to work on a project funded by the Strengthen
35 Arkansas Homes Program as an evaluator, an evaluator shall:

36 (1) Meet the program requirements under subsection (b) of this

1 section; and

2 (2) Maintain a current copy of all applicable certificates,
3 licenses, and proof of insurance coverage with the program office.

4 (b) The program requirements for a contractor to participate in the
5 program include:

6 (1)(A) That the evaluator is in good standing with the Insurance
7 Institute for Business & Home Safety and maintains an active Insurance
8 Institute for Business & Home Safety certification as a FORTIFIED Home
9 evaluator, or other certification under a successor entity of the Insurance
10 Institute for Business & Home Safety.

11 (B) The evaluator shall pay all fees associated with
12 certification and training;

13 (2) If applicable, that the evaluator is registered to do
14 business in Arkansas with the Secretary of State;

15 (3) That the evaluator agrees to follow the program's procedures
16 and rules as promulgated by the Insurance Commissioner;

17 (4) That the evaluator shall maintain accurate contact
18 information with the State Insurance Department and notify the department
19 within ten (10) days of any changes in his or her contact information;

20 (5) That the evaluator shall not have a financial interest in
21 any project that the evaluator inspects for designation purposes for the
22 program;

23 (6) That the evaluator shall not be a contractor or supplier of
24 any materials, products, or systems installed in a project the evaluator
25 inspects for designation purposes for the program;

26 (7) That the evaluator shall not be the sales agent for a
27 project being designated for the program; and

28 (8) That the evaluator agrees to inform the department of a
29 potential conflict of interest.

30
31 23-88-607. Premium discount.

32 (a) An insurance company that writes property insurance for wind or
33 hail coverage of any property located in this state that has been certified
34 compliant with the most recent version of any applicable FORTIFIED Home
35 construction standards published by the Insurance Institute for Business &
36 Home Safety or a successor entity;

1 (1) Shall provide a premium discount or rate reduction on the
2 coverage if the discount or reduction is actuarially justified; or

3 (2) May provide:

4 (A) A premium discount or rate reduction on the coverage
5 according to any standard discount amounts, targets, or benchmarks
6 established under subsection (e) of this section; and

7 (B) Any other adjustment on the coverage.

8 (b) A premium discount, rate reduction, or other adjustment provided
9 under subsection (a) of this section shall be subject to the rate filing and
10 other applicable regulatory requirements, including without limitation § 23-
11 67-201 et seq.

12 (c) An insurance company that offers a premium discount, rate
13 reduction, or other adjustment under subdivision (a)(1) of this section shall
14 provide the discount, reduction, or adjustment on the coverage of an
15 insurable dwelling located in this state if the insurance company receives a
16 copy of the certificate of compliance for the real property.

17 (d) An insurance company shall receive a copy of the certificate of
18 compliance in order to provide a premium discount, rate reduction, or other
19 adjustment under subdivision (a)(1) of this section.

20 (e)(1) The Insurance Commissioner may promulgate rules that establish
21 standard discount amounts, targets, or benchmarks for the coverage of any
22 real property located in this state that has been certified compliant with
23 the most recent version of any applicable FORTIFIED Home construction
24 standards published by the Insurance Institute for Business & Home Safety or
25 a successor entity.

26 (2) Any standard discount amounts, targets, or benchmarks
27 promulgated by the commissioner shall be:

28 (A) Optional; and

29 (B) Primarily for the benefit of insurance companies that
30 are unable to obtain actuarially valid data to provide a premium discount or
31 rate reduction under subdivision (a)(1) of this section due to inadequate
32 resources or experience.

33
34 23-88-608. Policy endorsement for roof loss or repairs.

35 An insurance company writing property insurance for personal risks that
36 provides coverage of a single-family dwelling located in this state that is a

1 non-FORTIFIED dwelling shall offer an optional rider, endorsement, or
2 supplemental policy provision that provides the insured a right to receive
3 claim payments for the cost to upgrade a single-family dwelling for a claim
4 that:

5 (1) Is covered under the insurance policy or contract; and

6 (2) Requires replacement of the covered insured dwelling's roof
7 as defined by the insurance policy or contract.

8
9 23-88-609. Insurer requirements.

10 A property insurer subject to §§ 23-88-607 and 23-88-608 shall:

11 (1) Make any filings required under §§ 23-88-607 and 23-88-608;

12 (2) Comply with any other regulatory requirements required under
13 § 23-67-201 et seq.; and

14 (3) Comply with any other laws that are necessary to ensure
15 that:

16 (A) Any premium discount or rate reduction required under
17 § 23-88-607 is offered on an insurance policy or contract issued or renewed
18 on and after July 1, 2026; and

19 (B) The optional rider, endorsement, or supplemental
20 policy provision required under § 23-88-608 is offered on an insurance policy
21 or contract issued or renewed on and after July 1, 2026.

22
23 23-88-610. Use of insurance premium taxes.

24 (a) Insurance premium taxes shall be used to fund the Strengthen
25 Arkansas Homes Program as follows:

26 (1) Ten million dollars (\$10,000,000) to fund the grant program;
27 and

28 (2) Two million dollars (\$2,000,000) to defray the
29 administrative costs to implement and administer the program.

30 (b) Disbursements shall be made on forms prescribed by the Insurance
31 Commissioner.

32 (c) Any excess or surplus insurance premium taxes that are not
33 expended or allocated for expenditure under this subchapter within each
34 twelve-month period shall be remitted to general revenues.

35
36 23-88-611. Rules.

1 (a) The Insurance Commissioner shall promulgate rules to implement and
2 administer this subchapter.

3 (b) The rules promulgated under subsection (a) of this section shall
4 include eligibility requirements necessary for the proper administration of
5 this subchapter and eligibility requirements under any instructions or
6 requirements on grants or funds received by the commissioner for the
7 Strengthen Arkansas Homes Program.

8
9 SECTION 6. Arkansas Code § 26-57-603(d), concerning insurance premium
10 tax reports, is amended to read as follows:

11 (d)(1) Each authorized, unauthorized, or formerly authorized domestic,
12 foreign, and alien insurer shall pay to the Treasurer of State through the
13 commissioner, as a tax imposed for the privilege of transacting business in
14 this state, a tax upon the net premiums and net considerations, except as
15 provided in § 26-57-605.

16 (2)(A) The tax shall be computed thereon at a rate of two and
17 one-half percent (2½%).

18 (B) For entities subject to § 26-57-604(a), the premium
19 tax levied under this section shall be levied in two (2) parts as follows:

20 (i) Twelve million dollars (\$12,000,000) shall be
21 deposited into the Strengthen Arkansas Homes Program Premium Tax Fund; and

22 (ii) The remainder of revenues shall be deposited
23 into the State Treasury as general revenues.

24 (3) The premiums written shall be reported at such times and in
25 such form and context as prescribed by the commissioner, and the taxes shall
26 be paid on a quarterly estimate basis as prescribed by the commissioner and
27 shall be reconciled annually at the time of filing the annual report required
28 in subsections (a)-(c) of this section.

29
30 SECTION 7. Arkansas Code § 26-57-610(b)(3), concerning the disposition
31 of insurance premium tax revenues, is amended to read as follows:

32 (3)(A) The taxes collected under subdivision (b)(3)(B) of this
33 section and §§ 26-57-604 and 26-57-605 shall be classified as general
34 revenues, and the net amount of taxes collected under §§ 26-57-604 and 26-57-
35 605 shall be credited to the various State Treasury funds participating in
36 general revenues in the respective proportions to each as provided by and to

1 be used for the respective purposes set forth in the Revenue Stabilization
2 Law, § 19-5-101 et seq.; and

3 (B) The revenues from the part of the premium tax
4 identified in § 26-57-603(d)(2)(B)(i) shall be deposited in the Strengthen
5 Arkansas Homes Program Premium Tax Fund.

6
7 SECTION 8. EFFECTIVE DATE. This act is effective on and after January
8 1, 2026.

9
10 */s/J. Boyd*
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