

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

A Bill

SENATE BILL 179

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

For An Act To Be Entitled

8
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

14
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 (e) Moneys remaining in the fund at the end of each fiscal year shall
 5 carry forward and be made available for the purposes stated in this section
 6 in the next fiscal year.

7
 8 SECTION 3. Arkansas Code § 23-75-119(a), concerning the premium tax on
 9 hospital and medical services corporations, is amended to read as follows:

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

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

21 (A) After the distribution of the amount stated under
 22 subdivision (a)(1) of this section, twelve million dollars (\$12,000,000), or
 23 as much as remains available for a total of twelve million dollars
 24 (\$12,000,000), shall be deposited into the Strengthen Arkansas Homes Program
 25 Premium Tax Fund to be used for the purposes stated under § 23-88-610; and

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

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

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

34 (A) After the distribution of the amount computed under
 35 subdivision (a)(1)(B) of this section, twelve million dollars (\$12,000,000),
 36 or as much as remains available for a total of twelve million dollars

1 (\$12,000,000), shall be deposited into the Strengthen Arkansas Homes Program
 2 Premium Tax Fund to be used for the purposes stated under § 23-88-610; and

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

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

7 (A) After the distribution of the amount stated under
 8 subdivision (a)(1)(B) of this section, twelve million dollars (\$12,000,000),
 9 or as much as remains available for a total of twelve million dollars
 10 (\$12,000,000), shall be deposited into the fund to be used for the purposes
 11 stated under § 23-88-610; and

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

14
 15 SECTION 5. Arkansas Code Title 23, Chapter 88, is amended to add an
 16 additional subchapter to read as follows:

17
 18 Subchapter 6 – Strengthen Arkansas Homes Act

19
 20 23-88-601. Title.

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

23
 24 23-88-602. Definitions.

25 As used in this subchapter:

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

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

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

1 successor entity;

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

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

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

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

13 (B) "Retrofitting" includes retrofit.

14

15 23-88-603. Strengthen Arkansas Homes Program.

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

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

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

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

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

36 (2) A nonprofit entity under subdivision (e)(1) of this section

1 shall:

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

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

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

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

13
14 23-88-604. Eligibility.

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

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

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

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

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

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

32 (ii) The home repair shall not be part of an
33 insurance claim;

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

36 (a) Prequalify the insurable dwelling as

1 suitable for construction or retrofitting under the Strengthen Arkansas Homes
 2 Program; and

3 (b) Identify improvements required to achieve
 4 an Insurance Institute for Business & Home Safety FORTIFIED Roof, FORTIFIED
 5 Silver, or successor designation, or a similar standard approved by rule by
 6 the Insurance Commissioner.

7 (ii) An insurable dwelling owner shall:

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

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

12 (F) That the insurable dwelling owner shall:

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

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

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

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

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

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

36 (b) An applicant for a Strengthen Arkansas Homes Program grant under

1 this subchapter shall file an application with the department in the form and
2 manner prescribed by the commissioner.

3 (c) Documents, materials, and other information submitted to the
4 department by the owner of an insurable dwelling or an insurance company in
5 support of a Strengthen Arkansas Homes Program grant application shall be
6 confidential and not subject to the Freedom of Information Act of 1967, § 25-
7 19-101 et seq.

8 (d) Documents, materials, and other information submitted to the
9 department by the owner of an insurable dwelling or an insurance company
10 shall not be:

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

13 (2) Subject to subpoena;

14 (3) Subject to discovery; or

15 (4) Admissible in evidence in a private civil action.

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

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

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

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

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

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

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

36 (A) Lives in a location that, based on historical data,

1 has a higher susceptibility to tornadoes, other catastrophic windstorm
2 events, or hail; or

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

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

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

11
12 23-88-605. Contractor requirements.

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

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

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

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

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

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

29 (1) Meet the program requirements under subsection (e) of this
30 section; and

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

33 (e) The program requirements for a contractor to participate in the
34 program include without limitation:

35 (1) That the contractor holds a valid and active contractor's
36 license or registration in Arkansas and is free from all disciplinary action

1 by the applicable licensing board;

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

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

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

8 (5)(A) That the contractor holds an active Insurance Institute
9 for Business & Home Safety FORTIFIED Roof contractor certification or
10 FORTIFIED professional certification.

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

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

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

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

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

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

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

29
30 23-88-606. Evaluator requirements.

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

33 (1) Meet the program requirements under subsection (b) of this
34 section; and

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

1 (b) The program requirements for a contractor to participate in the
2 program include:

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

8 (B) The evaluator shall pay all fees associated with
9 certification and training;

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

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

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

17 (5) That the evaluator shall not have a financial interest in
18 any project that the evaluator inspects for designation purposes for the
19 program;

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

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

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

27
28 23-88-607. Premium discount.

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

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

36 (2) May provide:

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

4 (B) Any other adjustment on the coverage.

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

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

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

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

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

25 (A) Optional; and

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

30
31 23-88-608. Policy endorsement for roof loss or repairs.

32 An insurance company writing property insurance for personal risks that
33 provides coverage of a single-family dwelling located in this state that is a
34 non-FORTIFIED dwelling shall offer an optional rider, endorsement, or
35 supplemental policy provision that provides the insured a right to receive
36 claim payments for the cost to upgrade a single-family dwelling for a claim

1 that:

- 2 (1) Is covered under the insurance policy or contract; and
 3 (2) Requires replacement of the covered insured dwelling's roof
 4 as defined by the insurance policy or contract.

5
 6 23-88-609. Insurer requirements.

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

- 8 (1) Make any filings required under §§ 23-88-607 and 23-88-608;
 9 (2) Comply with any other regulatory requirements required under
 10 § 23-67-201 et seq.; and
 11 (3) Comply with any other laws that are necessary to ensure

12 that:

13 (A) Any premium discount or rate reduction required under
 14 § 23-88-607 is offered on an insurance policy or contract issued or renewed
 15 on and after July 1, 2026; and

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

19
 20 23-88-610. Use of insurance premium taxes.

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

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

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

27 (b) Disbursements shall be made on forms prescribed by the Insurance
 28 Commissioner.

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

32
 33 23-88-611. Rules.

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

36 (b) The rules promulgated under subsection (a) of this section shall

1 include eligibility requirements necessary for the proper administration of
 2 this subchapter and eligibility requirements under any instructions or
 3 requirements on grants or funds received by the commissioner for the
 4 Strengthen Arkansas Homes Program.

5
 6 SECTION 6. Arkansas Code § 26-57-603(d), concerning insurance premium
 7 tax reports, is amended to read as follows:

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

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

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

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

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

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

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

29 (3)(A) The taxes collected under subdivision (b)(3)(B) of this
 30 section and §§ 26-57-604 and 26-57-605 shall be classified as general
 31 revenues, and the net amount of taxes collected under §§ 26-57-604 and 26-57-
 32 605 shall be credited to the various State Treasury funds participating in
 33 general revenues in the respective proportions to each as provided by and to
 34 be used for the respective purposes set forth in the Revenue Stabilization
 35 Law, § 19-5-101 et seq.; and

36 (B) The revenues from the part of the premium tax

1 identified in § 26-57-603(d)(2)(B)(i) shall be deposited in the Strengthen
2 Arkansas Homes Program Premium Tax Fund.

3
4 SECTION 8. EFFECTIVE DATE. This act is effective on and after January
5 1, 2026.

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