Tort Immunity
for Arkansas Cities and Towns, Their Officials and Employees

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**Purpose**

The purpose of this text is to give the reader a basic understanding of the principles and concepts used by the courts in analyzing municipal immunity as a subset of tort liability in the State of Arkansas. This publication deals primarily with state statutes granting immunity, principally Arkansas Code Annotated § 21-9-301. The subject of immunity from suit is also frequently associated with liability for civil rights violations. However, civil rights immunities are beyond the scope of this publication, which deals primarily with immunity from common law torts.¹

**History and Overview**

“An immunity is a freedom from suit or liability.”² Although governmental entities bear some responsibilities for wrongs to individuals harmed by their negligence, such entities must be protected from exposure to high judgments which would destroy them.³ Arkansas’s earliest tort immunity derived from the reception statute, which incorporated the common law of England as long as that law was consistent with the Constitution and the laws of Arkansas.⁴ Therefore, Arkansas adopted the common law doctrine of sovereign immunity.⁵

The present Arkansas Constitution, adopted in 1874, provides in Article 5, Section 20 that “the State of Arkansas shall never be made defendant in any of her courts.” This immunity does not extend to municipalities, however. Nevertheless, the courts held under the common law that municipal governments were immune from liability in their “governmental” capacities, but were liable for wrongs committed in their “proprietary” capacity.⁶

In June 1968, in the case of Parish v. Pitts, the Arkansas Supreme Court overruled 150 years of common law tort immunity for municipalities operating in their “governmental” capacity.⁷ Before this ruling, the courts had supported tort immunity on the idea that bringing suit against the municipalities would probably bankrupt the vast majority of Arkansas’s cities. However, the Parish court ruled that this potential financial burden was speculative, at best, and insufficient to justify municipal immunity.⁸ Further, the court held that because the municipalities were separate entities and not “the state,” they should not be entitled to governmental sovereign immunity.⁹

Within five months of the Parish decision, the 1969 session of the Arkansas General Assembly overturned Parish v. Pitts and replaced the former common law immunity with statutory tort immunity by the passage of Arkansas Act 165, effective on March 5, 1969, which, as amended, is covered by Arkansas Code Sections 21-9-301 through 21-9-303.¹⁰

**Arkansas Code Section 21-9-301. Tort Liability – Immunity Declared**

(a) It is declared to be the public policy of the State of Arkansas that all counties, municipal corporations, school districts, public charter schools, special improvement districts, and all other political subdivisions of the state and any of their boards, commissions, agencies, authorities, or other governing bodies shall be immune from liability and from suit for damages except to the extent that they may be covered by liability insurance. (b) No tort action shall lie against any such political subdivision because of the acts of its agents and employees.¹¹

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¹. For an excellent discussion of Arkansas civil rights law, see Michael Mosley, Robert Beard, and Paul Charton, Sixteen Years of Litigation Under the Arkansas Civil Rights Act: Where We Have Been and Where We Are Going, 32 U. Ark. Little Rock L. Rev. 173 (2010).
⁵. See Arkansas State Highway Comm’n v. Flake, 254 Ark. 624, 628, 495 S.W.2d 855, 858 (1973).
⁶. See, e.g., Patterson v. City of Little Rock, 202 Ark. 189, 190, 149 S.W.2d 562, 563 (1941). This distinction was abolished by 1969 Ark. Act 165, as codified in Ark. Code Ann. § 21-9-301. See also Augustine v. City of West Memphis, 281 Ark. 162, 164, 662 S.W.2d 813, 814 (1984) (“the former distinction between governmental and proprietary actions was abolished by Act 165 of 1969…[t]he positive language of that statute is inconsistent with the distinction formerly made by our case law.”).
⁷. 244 Ark. 1239, 1252, 429 S.W.2d 45, 51 (1968).
⁸. Id.
⁹. Id.
¹⁰. The Arkansas Legislature later added Ark. Code Ann. § 21-9-304, but as of March 10, 2005, it has never been mentioned or discussed by the courts or the Attorney General’s Office.
¹¹. However, municipal tort immunity does not extend to “arms” of a city or municipality which are not a department or division of the city nor a political subdivision of the state. See Masterson v. Stambuck, 321 Ark. 391, 395, 902 S.W.2d 803, 806 (1995).
Arkansas Code Section 21-9-302. Tort Liability – Settlement of Claims

Each county, municipal corporation, school district, special improvement district, or any other political subdivision of the state is authorized to provide for hearing and settling tort claims against it.


(a) All political subdivisions shall carry liability insurance on their motor vehicles or shall become self-insurers, individually or collectively, for their vehicles, or both, in the minimum amounts prescribed in the Motor Vehicle Safety Responsibility Act, [Arkansas Code Annotated] § 27-19-101 et seq.

(b) The combined maximum liability of local government employees, volunteers, and the local government employer in any action involving the use of a motor vehicle within the scope of their employment shall be the minimum amounts prescribed in the Motor Vehicle Safety Responsibility Act, [Arkansas Code Annotated] § 27-19-101 et seq., unless the political subdivision has purchased insurance coverage or participates in a self-insurance pool providing for an amount of coverage in excess of the minimum amounts prescribed in the Motor Vehicle Safety Responsibility Act, [Arkansas Code Annotated] § 27-19-101 et seq., in which event the maximum liability of the insurer or pool shall be the limits of the coverage provided for in the policy or agreement.

(c) (1) Any person who suffers injury or damage to person or property caused by a motor vehicle operated by an employee, agent, or volunteer of a local government covered by this section shall have a direct cause of action against the insurer if insured, or the governmental entity if uninsured, or the trustee or chief administrative officer of any self-insured or self-insurance pool. (2) Any judgment against a trustee or administrator of a self-insurance pool shall be paid from pool assets up to the maximum limit of liability as provided in this section.

Constitutionality

After the passage of these statutes, litigants began to challenge their constitutionality. In Hardin v. City of DeValls Bluff, the court rejected the argument that Arkansas Code Annotated § 21-9-301 violated Article 2, Section 13 of the Arkansas Constitution. The court held that no well-established right to recovery from a city in a tort action existed at the time of the adoption of the Arkansas Constitution and that Arkansas Code Section 21-9-301 was, therefore, constitutional.

Ten years later, the court upheld the statutes’ constitutionality based upon the belief that “the drafters of the constitution ‘never had in mind that one, without legislative authority, could receive redress for asserted wrongs against counties and cities acting in their governmental capacities’ [and] since statutes granting political subdivisions immunity or denying them immunity are legal, then statutes which limit that liability are legal for the same reasons.” The purpose for this, the court noted, was “to make these government entities bear some
responsibility for wrongs to individuals harmed by their negligence, but also to prevent these same entities from exposure to high judgments which would destroy them.18

Tort immunity has also been challenged as violating Article 5, Section 32 of the Arkansas Constitution. That provision establishes the General Assembly’s power to enact workers’ compensation law. It further provides that “no law shall be enacted limiting the amount to be recovered for injuries resulting in death or for injuries to persons or property.” In White v. City of Newport,19 the court held that, because the Legislature had acted responsibly in protecting municipalities from bankruptcy and protecting vital public services, the tort immunity statutes did not violate this provision.20

In White, the plaintiff argued that, at the time of the adoption of the 1874 Constitution, a citizen had a common law right to sue a city for negligence committed while the city was acting in a proprietary capacity.21 Furthermore, the plaintiff argued that if an individual does, indeed, hold this common law right, then the Legislature should be prevented from abrogating it.22 The court rejected this approach, stating that “the legislature must be permitted to alter the common law when it stands in the way of a reasonable public policy objective.”23 The court found that the enactment of the immunity statute was a reasonable means of achieving the permissible public policy objectives of protecting against the threat of municipal bankruptcy and the attendant possibility of interruption to the delivery of vital public services.24

The tort immunity statutes have similarly been challenged on equal protection grounds.25 One plaintiff argued that requiring political subdivisions to carry liability insurance on all of its motor vehicles or be self-insured, but not requiring the same subdivisions to carry general liability insurance, violated the equal protection clause.26 This argument was rejected by the United States Court of Appeals for the Eighth Circuit.27 The Lacey court held that “because the legislative classification of tort victims was not based upon a suspect criterion and the right to bring a tort suit against the government is not fundamental, the statutory scheme need only have an underlying rational basis.”28 The court upheld the scheme as “a valid legislative effort to provide a method and manner of relief to some victims of governmental tortfeasors.”29

APPLICATION OF IMMUNITY TO NEGLIGENCE v. INTENTIONAL TORTS

The Arkansas Supreme Court has repeatedly stated that section 21-9-301 extends immunity only for acts of negligence, but not for intentional torts.30 The court has applied this rule inconsistently, however. In Loren D. Buttolph Trust v. Jarnagan, for example, the court, without discussion of the “negligence only” rule, held that a mayor/waterworks manager was immune under section 21-9-301 for “arbitrarily” refusing to extend water service to the plaintiff trust until the previous landowners’ delinquent water bill was paid in full.31

In Autry v. Lawrence, the Arkansas Supreme Court went further, holding that the intent of the Legislature was “to grant immunity to municipal agents and employees for acts of negligence committed in their official capacities.”32 Accordingly, tort immunity extended to actions against a police officer for the tort of malicious prosecution.33 In Harrington v. City of Greenbrier stated that the statutory immunity from negligence actions applied and held that a claim of “deliberate fraud,” which the court characterized as the tort of deceit, would be immunized under the statute.34 In another case, the Arkansas Court of Appeals stated that actions for trespass would be immunized under

18. Thompson, 281 Ark. at 368, 663 S.W.2d at 934.
20. See id. at 672, 933 S.W.2d at 803. The court also rejected the plaintiff’s challenge under Article 2, § 13.
21. Id. at 671, 933 S.W.2d at 802.
22. Id., 933 S.W.2d at 802.
23. Id. at 672, 933 S.W.2d at 803.
26. Id. at 436.
27. Id.
28. Id.
29. Id.
31. 302 Ark. 393, 394-95, 789 S.W.2d 466, 467 (1990).
33. See Autry, 286 Ark. at 502, 506-507 S.W.2d at 315.
34. 262 Ark. 773, 775-76, 561 S.W.2d 302, 304 (1978).
Arkansas Code Section 21-9-301. Finally, the court’s use of Section 21-9-301 as a source for qualified immunity from civil rights actions further erodes its announced negligence limitation. Conversely, however, in Doe v. Baum, the Arkansas Supreme Court specifically declined an opportunity to foreclose the possibility that an exception to Section 21-9-301 could occur in instances of gross negligence or reckless indifference.

In short, the court has not always followed its negligence-only rule. However, the Arkansas Supreme Court has not articulated any guidelines or bright line rules as to when it may depart from the negligence-only rule. Attorneys representing cities sued for intentional torts may still be able to argue for immunity, particularly when the facts of their cases closely resemble those in the foregoing decisions.

**Pleading and Proof of Immunity**

In Vent v. Johnson, the Arkansas Supreme Court held that the immunity provided by Arkansas Code Section 21-9-301 is an affirmative defense that must be asserted and proven by the defendant. However, another important aspect of Helena-West Helena School District v. Monday, supra, was that the court stated that the school district may be immune from liability, but, because it had the burden to make its insurance policy a part of the record, and failed to do so, the court could not make that determination. In the past, this burden has been on the plaintiff and not on the district.

Thus, without further clarification by the court, who holds the burden is left ambiguous. Possibly, the court in its decision meant that since the district was attempting to overturn the lower court's decision, it was incumbent on the district to show that the trial court's decision was incorrect. However, any such clarification is absent from the court's opinion and it is foreseeable that plaintiffs might use that language to attempt to shift the burden on the district to show that the trial court's decision was incorrect. However, any such clarification is absent from the court's opinion and it is foreseeable that plaintiffs might use that language to attempt to shift the burden to defendants in future cases. So the bottom line is this: When pleading tort immunity, always attach coverage documents if you want to successfully argue that they don't apply.

**Additional Extensions of Immunity**

Immunity, under the statute, extends to municipal employees for acts committed in the course of their official duties. In addition, the Quorum Court is a political subdivision immune from suit, according to Davis v. Fulton County. Police officers are immune from charges of malicious prosecution when they arrest innocent individuals pursuant to their official capacities, as was the holding in Autry v. Lawrence, supra.

Further, federal courts will dismiss supplemental pendent state law tort claims pursuant to Arkansas Code Section 21-9-301, when applicable. Additionally, a local government cannot be held liable for punitive damages, and statutory immunity also extends to attorney fees as well as damages.

**Repeated Negligence**

Although a city may initially act negligently and cause injury to a plaintiff, a failure to correct that negligence may be construed as intentional. In Robinson v. City of Ashdown, the court found that the city’s negligent operation of the sewer plant, which at times caused sewage to flood a house, amounted to an inverse condemnation.

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37. 348 Ark. 259, 277, 72 S.W.3d 476, 486-87 (2002). The court only held that the “appellants have failed to provide evidence…that [the appellee] intentionally failed to perform a manifest duty or act with disregard of a known or obvious risk,” as opposed to ruling that Ark. Code Ann. § 21-9-301 does not extend, as a matter of law, to actions for either gross negligence or reckless indifference. Id. at 278, 72 S.W.3d at 487.
40. 2009 Ark. 92, at 14, 303 S.W.3d 46, 53.
42. See, e.g., Matthews v. Martin, 280 Ark. 345, 658 S.W.2d 374 (1983) (Little Rock Fire Chief, Director of Planning, and City Manager); Culpepper v. Biggers, 742 F. Supp. 528 (E.D. Ark. 1990) (city collector); Loren D. Buttolph Trust v. Jarnagan, 302 Ark. 393, 789 S.W.2d 466 (1990) (mayor immune from liability as mayor and waterworks manager). County government employees are also immune from suit. See Sullivan v. Pulaski Cty., 247 Ark. 259, 445 S.W.2d 94 (1969); Chandler v. Pulaski Cty., 247 Ark. 262, 445 S.W.2d 96 (1969) (holding, in both cases, that the county was immune from wrongful death suits even though it did not erect or maintain markers, warnings, or reflectors on a highway curve).
though the city initially had statutory tort immunity, the overflow continued long after the city was on notice and the public benefitted from the use of the home as an overflow dump for sewage.\textsuperscript{49} The court based its holding on Article 2, Section 22 of the Arkansas Constitution, which provides that “[t]he right of property is before and higher than any constitutional sanction; and private property shall not be taken, appropriated or damaged for public use, without just compensation therefor.” Thus, the court stated that “[w]hen a municipality acts in a manner which substantially diminishes the value of a landowner’s land, and its actions are shown to be intentional, it cannot escape its constitutional obligation to compensate for the taking of property on the basis of its immunity from tort action.”\textsuperscript{50}

**Insurance**

Arkansas Code Section 21-9-301 bestows immunity on municipalities except to the extent that they may be covered by insurance. The purchase of liability insurance even in instances where it is not subject to tort liability is authorized under Arkansas Code Section 23-79-210. While this provision “does not require a municipality…to carry liability insurance, the statute does authorize and provide for a direct action against the insurer by the injured person in the event the municipality carries such insurance.”\textsuperscript{51}

However, where a municipality operates a common carrier service, insurance may be required. In *Salley v. Central Arkansas Transit Authority*, the Arkansas Supreme Court held that the city bus is a common carrier, and, thus, has a duty to either carry uninsured motorist liability insurance or become a self-insurer under Arkansas Code Section 23-16-302.\textsuperscript{52} In *Helena-Helena West School District v. Monday*, supra, Rose Monday sued the Helena-West Helena School District for slip-and-fall injuries sustained by her son, Elijah Monday, when he slipped on ice that had accumulated on the steps of the school bus.\textsuperscript{53} The court held that, subject to the insurance exception recognized in *Carter v. Bush*,\textsuperscript{54} the defendants could not be sued for negligence, and only the insurance exception was germane to the issue of the District’s immunity.\textsuperscript{55}

**Motor Vehicles**

Pursuant to Section 21-9-301, cities enjoy immunity from liability and from suits for damages except to the extent that they are covered by liability insurance. With this basic principle in mind, we can look to Section 21-9-303 for guidance on maintaining liability insurance in Arkansas’s cities and municipalities. The language of this statute states that cities, municipalities, and all other political subdivisions of Arkansas must carry liability insurance on their motor vehicles, or assume statutory responsibility as self-insured.\textsuperscript{56} Two questions arise from this statement: (1) What is a motor vehicle, and (2) how much insurance is needed on such a vehicle?

**What is a Motor Vehicle?**

Arkansas Code Section 21-9-303(a) states that “all political subdivisions shall carry liability insurance on their motor vehicles,” but does not provide a definition of “motor vehicle.” However, the Arkansas Supreme Court has held that an analysis of Section 21-9-303(a) shall begin with the definition of a “motor vehicle” as defined by Arkansas Code Section 27-19-206.\textsuperscript{57} This section defines a “motor vehicle” as “every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires but not operated upon rails.”\textsuperscript{58} Such a definition is a broad declaration that every self-propelled vehicle that does not operate on rails is a ‘motor vehicle.’\textsuperscript{59}

However, an analysis of the definition of a motor vehicle does not end with Section 27-19-206. Instead, the court has looked to complete the analysis of Section 21-9-303(a) by employing the Motor Vehicle Safety Responsibility

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\textsuperscript{49} Id. at 227, 232, 783 S.W.2d at 54, 56.
\textsuperscript{50} Id. at 232, 783 S.W.2d at 56-57.
\textsuperscript{51} Little Rock Port Auth. v. McCain, 296 Ark. 130, 131, 752 S.W.2d 44, 45 (1988).
\textsuperscript{52} 326 Ark. 804, 806, 934 S.W.2d 510, 511 (1996).
\textsuperscript{53} 361 Ark. at 83-84, 204 S.W.3d at 515.
\textsuperscript{54} 296 Ark. 261, 262-68, 753 S.W.2d 534, 534-38 (1988) (holding that an employee or a school district can be sued to the extent that a policy of insurance extends to applicable coverage).
\textsuperscript{55} Helena, 361 Ark. at 86-87, 204 S.W.3d at 517.
\textsuperscript{56} Ark. Code Ann. § 21-9-303(a).
\textsuperscript{57} Cousins v. Dennis, 298 Ark. 310, 314, 767 S.W.2d 296, 298 (1989).
\textsuperscript{59} Spears v. City of Fordyce, 351 Ark. 305, 311, 92 S.W.3d 38, 42 (2002).
Act (MVSRA), codified at Sections 27-19-101 et seq. The court further held that the General Assembly did not intend the provisions of the MVSRA to require political subdivisions to purchase motor vehicle liability insurance for non-registered vehicles.

With this in mind, the court determined that if a vehicle is exempt from registration under the MVSRA, then that vehicle is not required to comply with the security deposit or liability insurance provisions required under the MVSRA. Consequently, if the vehicle is exempt, it is not a “motor vehicle” for the purposes of either Section 21-9-303(a) or tort liability. In Cousins, a student was injured by a bush hog mower being pulled by a tractor. The injured student argued that the tractor was a motor vehicle pursuant to Section 21-9-303. The court held that if Section 21-9-303(a) would require “political subdivisions” to be subject to the provision of the MVSRA that requires minimal insurance on all motor vehicles, then they should also be subject to all of the provisions of the MVSRA.

In applying the registration laws of the MVSRA, the court found that vehicles not designed for transportation purposes are to be designated as “special mobile equipment” and exempt from registration. Thus, self-propelling motors and other equipment not designed or intended for transportation purposes—being exempt from registration—are not required to comply with the security deposit or liability insurance provisions required under Section 21-9-303(a).

Further, under Arkansas’s motor vehicle registration laws, particularly Arkansas Code Section 27-14-703(3), an implement of husbandry is not required to be registered. Since Arkansas law defines an implement of husbandry to be all vehicles “designed and adapted exclusively for...agricultural, horticultural, or livestock raising operations, or for lifting or carrying an implement of husbandry,” the bush hog mower in Cousins was not subject to registration. As a result, it was, accordingly, not subject to the liability insurance requirements of Section 21-9-303(a).

As noted above, some vehicles are exempt from registration because they are defined as “special mobile equipment.” In Spears v. City of Fordyce, the court considered whether the city’s front-end loader was a “motor vehicle.” The trial court determined that the loader was exempt from registration as “special mobile equipment” under the definition of Arkansas Code Section 27-14-211. However, the injured party and the owner raised a genuine issue of material fact as to whether the operation of the loader on public roads was frequent and regular or merely incidental. Until this factual question was resolved, it was impossible to determine whether the loader was exempted from the statutory definition of a “motor vehicle” in Arkansas Code Section 27-19-206.

The “special mobile equipment” argument was furthered on appeal in Southern Farm Bureau Casualty Insurance Company v. Spears, where the court addressed the question of whether the front-end loader was special mobile equipment. Section 27-14-211 provides, in part:

“Special mobile equipment” means every vehicle not designed or used primarily for the transportation of persons or property and incidentally operated or moved over the highways, including farm tractors, road construction or maintenance machinery, ditch-digging apparatus, well-boring apparatus, and concrete mixers.

60. Cousins, 298 Ark. at 313, 767 S.W.2d at 297.
61. Id. at 315, 767 S.W.2d at 298.
62. Id., 767 S.W.2d at 298-99.
63. Id., 767 S.W.2d at 298.
64. Id. at 311, 767 S.W.2d at 296.
65. Id. at 312, 767 S.W.2d at 297.
67. Id. at 315, 767 S.W.2d at 298.
68. Id., 767 S.W.2d at 298.
70. 298 Ark. at 314, 767 S.W.2d at 298.
71. Id., 767 S.W.2d at 298.
72. 351 Ark. 305, 311, 92 S.W.3d 38, 42 (2002).
73. Id. at 313, 92 S.W.3d at 43.
74. Id. at 315, 92 S.W.3d at 44.
75. Id., 92 S.W.3d at 44.
The court looked to the definition of “auto,” as set out in the insurance policy: This was “a motor vehicle, semi-trailer or trailer designed primarily to be used on public roads.” The court reasoned that “a vehicle could be designed primarily to be used on public roads, even though it is not designed or used primarily for the transportation of persons or property over the highways.” Therefore, the court rejected the appellant's argument that, as a matter of law, the front-end loader could not be both “special mobile equipment” under Arkansas's statutory laws and an “auto” under the terms of an insurance policy.

After determining that the front-end loader could be both “special mobile equipment” under Section 27-14-211, and an “auto” under the terms of an insurance policy, the court continued its analysis by explaining that if Spears sought to prove the front-end loader was an uninsured “auto” under the insurance policy, then he had the burden to prove such. However, the court held “the evidence presented at trial failed to prove that the front-end loader was designed primarily to be used on public roads” and, thus, an ‘auto’ as defined in the insurance policy.” Moreover, “[s]ince Spears failed to present sufficient evidence to prove that the front-end loader was an uninsured auto under the insurance policy,” the court concluded that there was not “substantial evidence to support the jury's verdict in favor of Spears.”

**How Much Insurance is Needed?**

Once an object has been ascertained to be a motor vehicle, then the city, municipality, or political subdivision must determine how much insurance is needed for that vehicle. The solution to this question comes from Arkansas's Transportation Statutes and the Motor Vehicle Safety Responsibility Act, particularly Arkansas Code Sections 27-19-605(a) and 27-19-713. The essential portions of these statutes provide that no policy or bond shall be effective unless the policy or bond is subject to not less than twenty-five thousand dollars ($25,000) in personal liability per death and another twenty-five thousand dollars ($25,000) in liability for property damages.

These standards are summarized by Section 27-22-104(b), which reads:

The policy shall provide as a minimum the following coverage: (1) Not less than twenty-five thousand dollars ($25,000) for bodily injury or death of one (1) person in any one (1) accident; (2) Not less than fifty thousand dollars ($50,000) for bodily injury or death of two (2) or more persons in any one (1) accident; and (3) If the accident results in damage to or destruction of property, not less than twenty-five thousand dollars ($25,000) for the damage to or destruction of property of others in any one (1) accident.

Arkansas courts have continuously held that Arkansas Code Section 21-9-303(a) requires insurance on motor vehicles in the minimum amounts prescribed in the Motor Vehicle Safety Responsibility Act. This holding is based on the reasoning that, by referring to Section 27-19-101 et seq., the General Assembly obviously intended that the insurance coverage required of political subdivisions under Section 21-9-303(a) be subject to all of the provisions of the Motor Vehicle Safety Responsibility Act. In this respect, the court stated that Sections 27-19-605 and 27-19-713 provided "the minimum amounts of liability insurance coverage for a security deposit or proof of further financial responsibility required under the Act."

The court continued by stating that a city, municipality, or political subdivision becomes a self-insurer, if found liable, in an amount not to exceed those minimum amounts; amounts, subject to certain exceptions, that “apply to the driver and owner of any vehicle of a type subject to registration under the motor vehicle laws of [Arkansas] and to persons who have been convicted of or forfeited bail or who have failed to pay judgments upon causes of action arising out of ownership, maintenance, our use of vehicles of a type subject to registration under the laws of [Arkansas].” Thus, a municipality that fails to carry liability insurance for operation of its motor vehicles as

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78. Spears, 360 Ark. at 205-06, 200 S.W.3d at 440 (emphasis in original) (internal quotation marks omitted).
79. Id. at 206, 200 S.W.3d at 440 (emphasis in original).
80. Id., 200 S.W.3d at 440.
81. Id. at 207, 200 S.W.3d at 441.
82. Id., 200 S.W.3d at 441.
83. Id. at 207-08, 200 S.W.3d at 441.
86. See id. at 314-15, 767 S.W.2d at 298.
87. Ed. at 313, 767 S.W.2d at 297.
88. Id. at 313-14, 767 S.W.2d at 297-98 (emphasis in original).
required by statute would be liable in tort, up to an amount equivalent to the required policy limits, for injuries resulting from negligent operation of its vehicles, notwithstanding statutory governmental tort immunity.89

Obtaining the required amounts of motor vehicle liability insurance under Section 21-9-303 will limit a city’s liability to the insurance policy’s stated maximums.90 In Fritzinger, the plaintiff’s motorcycle struck a stop sign allegedly as the result of a city employee’s negligent operation of a city-owned garbage truck.91 On appeal, the court affirmed the circuit court’s reduction of the judgment against the city from $92,500 to its insurance policy maximum of $25,000.92 In so ruling, the court found that Section 21-9-303 clearly limits a city’s maximum liability to $25,000, and that to hold otherwise would be a miscarriage of justice.93 Moreover, Fritzinger also prohibits direct action against a city’s insurer unless the insurer may be liable for an amount in excess of $25,000.94

On the other hand, a city’s failure to maintain the requisite insurance essentially relegates the city to the status of a self-insurer. However, the court has distinguished the failure to maintain proper insurance from insolvency unknown to the city. In the event that the city’s insurance company becomes insolvent, the city will not be held liable. This issue was discussed in Taylor v. City of North Little Rock, where the appellant was struck by a vehicle driven by an employee of the City of North Little Rock.95 At the time of the accident, the city vehicle was insured by Reliance Insurance Company.96 During the lawsuit, the city’s insurance carrier, Reliance, was declared insolvent.97 The court found that, because coverage was in effect when the accident occurred, there was no evidence that the city should have anticipated its insurance carrier would become insolvent.98 Given that the city could not buy insurance for an accident that had already happened, the city should not have been relegated to the status of a self-insurer.99

Recovery under vehicular liability insurance is not available to an injured party who has workers’ compensation as a remedy available to him or her.100 In Helms v. Southern Farm Bureau Casualty Insurance Company, the court held that teachers acting within the scope of their employment at the time of a school bus accident were not entitled to the school district’s insurance proceeds, but were limited to the exclusive remedy provided by the workers’ compensation statutes.101

Emergency Vehicles

How do emergency vehicles differ from other municipal vehicles? In City of Little Rock v. Weber, the appellee was injured when a Little Rock police officer, driving a city police car with the lights flashing and siren running, ran a red light and struck her vehicle.102 The city argued that it was absolutely immune from tort liability arising out of a city policeman’s negligent operation of an authorized emergency vehicle.103 The court rejected the city’s reliance on earlier cases which held that immunity could be broached only when the public employee breached a duty imposed on him by law in common with all other people, as opposed to a situation in which the negligent conduct arose out of a duty peculiar to his or her employment.104 As the Weber court explained, “[W]e see no reason why a person injured by an emergency vehicle should be left without a remedy while persons may seek redress against a municipality for its employees’ negligence in the operation of all other vehicles.”105

The court noted that the officer made the decision to turn on his lights and siren prior to his collision, and that decision involved an exercise of discretion, and any actions taken subsequent to the decision were required by law to be taken with ordinary care.106

91. Id. at 419, 97 S.W.3d at 441.
92. Id. at 421, 97 S.W.3d at 442.
93. See id., 97 S.W.3d at 442.
94. Id. at 423-24, 97 S.W.3d at 444.
96. Id., 194 S.W.3d at 798.
97. Id., 194 S.W.3d at 798.
98. Id. at 51, 194 S.W.3d at 799.
99. Id., 194 S.W.3d at 799.
101. Id., 664 S.W.2d at 871-72.
102. 298 Ark. 382, 383, 767 S.W.2d 529, 530 (1989).
103. Id., 767 S.W.2d at 530.
104. Id. at 384-85, 767 S.W.2d at 530-31.
105. Id. at 385, 767 S.W.2d at 531.
106. Id. at 389-90, 767 S.W.2d at 533.
Prior to 2002, the court had only addressed the liability of a municipality when the driver of a municipal vehicle directly caused the injuries giving rise to the litigation. This changed with *City of Caddo Valley v. George*.107 In *Caddo Valley*, the Arkadelphia Police Department set up a road block to stop a fleeing car thief being chased by the Caddo Valley Police Department.108 However, a third party, George, was caught between the road block and the fleeing suspect.109 Bringing suit, George alleged negligence on the parts of the pursuing officers, claiming the officers should have known that their high speed pursuit was likely to injure innocent victims.110 Further, George claimed the officers should have disengaged “from the pursuit when they knew, or should have known, that the Arkadelphia police were setting up a roadblock; and that they failed to end the pursuit when they knew, or should have known, it was no longer prudent to chase Sherman under the conditions.”111

In response to these allegations, the Caddo Valley officers argued they were immune from liability or damages because they were acting in their official capacities as employees of Caddo Valley.112 They further argued that their conduct was not the proximate cause of George's injuries, on account of the intervening conduct of the suspect being pursued.113

The Arkansas Supreme Court rejected both of these arguments and held the city jointly and severally liable for judgment rendered against it and against the suspect to the extent of the city's liability insurance limits.114 This was held even though the suspect was found to be ninety percent at fault and each officer was found to be only five percent at fault.115 Further, the court held that the driver was entitled to recover up to the limits of liability insurance on each of the two city vehicles involved, rather than only one vehicle, even though the plaintiff’s injuries arose from only one incident, inasmuch as the city was required by the statute to obtain insurance on each vehicle.116

**Summary Judgment**

As a general rule, the denial of a motion for summary judgment is neither reviewable nor appealable, and without the ability to appeal, the right of immunity from suit would be lost if the case were permitted to go to trial.117 This reasoning is based on Ark. R. App. P., Civ. R. 2, which provides that “[a]n appeal may be taken from a circuit, chancery, or probate court to the Arkansas Supreme Court from…[a]n order which in effect determines the action and prevents a judgment from which an appeal might be taken, or discontinues the action.”

Thus, when the principle defense is that the appellants are entitled to immunity from suit, there would be no further proceedings if the appellants were entitled to the claimed immunity, and the refusal to grant the motion would amount to a denial of the appellants' claimed defense, which, if allowed, would discontinue the action. “The qualified immunity claim is a claim of right which is separable from, and collateral to, the rights asserted in the complaint.”118 Moreover, “the refusal to grant a summary-judgment motion has the effect of determining that the appellants are not entitled to immunity from suit, as the right of immunity from suit is effectively lost if a case is permitted to go to trial.”119

108. Id. at 206, 9 S.W.3d at 483.
109. Id. at 206-07, 9 S.W.3d at 483.
110. Id. at 207, 9 S.W.3d at 483.
111. Id., 9 S.W.3d at 483.
112. Id., 9 S.W.3d at 483.
114. Id. at 208-214, 9 S.W.3d at 484-88.
115. Id. at 207, 9 S.W.3d at 484.
116. Id. at 215, 9 S.W.3d at 488.
117. See supra, note 42.
**Indemnification**

In contrast with tort claims against political subdivisions, the courts do hear cases alleging contractual liabilities of municipalities and other subdivisions. These cases involve issues of void or voidable contracts, ultra vires or intra vires contracts, mandatory or directory statutory provisions, executed or executor contracts, ratification, and estoppels. Often, the power is expressly granted by the Legislature. For example, cities and incorporated towns, as well as school districts, have the power to enter into contracts and to sue and be sued.

The theory of unjust enrichment may also be appropriate for a party which has dealt with a government, but cannot proceed on a contractual basis. For example, although a contract with a city for construction of a sewer may be unenforceable for failure to comply with government contract requirements, the contractor may recover on an unjust enrichment basis for the value of the benefit received by the city.

"Indemnity" arises by virtue of a contract and holds one liable for the acts or omissions of another over whom he has no control (or it allows someone to recover from a third party the whole amount which he himself is liable to pay). Contracts of indemnity are construed in accordance with the rules for the construction of contracts, generally.

In Cherry v. Tanda, the City of Fort Smith entered into a contract for the construction of a sanitary landfill. The contract included a provision whereby the construction company would indemnify the city for all claims and damages arising out of the performance of the contract. In addition, Tanda agreed to carry liability insurance, which it obtained through Transcontinental. When the landfill walls collapsed and killed Mr. Cherry, his estate sued Tanda and Transcontinental. The court held, *inter alia*, that the contract between Tanda and the city did not transform Tanda’s insurance policy with Transcontinental into the city’s liability policy which could be the basis for suit pursuant to Arkansas Code Section 23-79-210. Accordingly, the employee was found to be suing in tort, not contract, and, thus, was barred by the exclusivity provision of workers’ compensation.

120. See Deason v. City of Rogers, 271 Ark. 1061, 449 S.W.2d 410 (1970).
122. Id.
127. Nabholz, 319 Ark. at 400, 892 S.W.2d at 459.
128. 327 Ark. 600, 605, 940 S.W.2d 457, 458.
129. Id. at 611, 940 S.W.2d at 461-62.
130. Id. at 611, 940 S.W.2d at 456.
131. Id. at 611, 940 S.W.2d at 458.
132. Id. at 616, 940 S.W.2d at 464.
LEGISLATIVE IMMUNITY

Arkansas has acknowledged legislative immunity as “a long-recognized principle in American law that legislators are absolutely immune from personal liability for their official and legislative activities.”134 Legislators enjoy the broadest generally available immunity of all: an absolute immunity not only from damages, but also from declaratory and injunctive relief.135 This immunity extends to state, regional, and local legislators.136 As with the absolute immunity of judges and prosecutors, this immunity shields only the “legislative functions” of legislators or, occasionally, others.137 The Supreme Court has ruled that voting for proposed legislation, investigating committee topics, preparing committee reports, and speaking before a legislative assembly are all legislative functions.138 Activities outside the scope of legislative functions are the taking of bribes and disseminating press releases to the public.139

The function of such immunity is “to insure that the legislative function may be performed independently without fear of outside interference.”140 Legislative immunity applies to local legislators as well as to their state and federal counterparts, and it applies when these officials act “in a field where legislators traditionally have power to act.”141 The administrative or executive actions of legislators are not entitled to protection.142 “[I]mmunity is justified and defined by the functions it protects and serves, not by the person to whom it attaches.”143 An official’s bad motivation, or “unworthy purpose,” does not affect the immunity privilege so long as the actions fall within the ambit of protected legislative activity.144

GOOD FAITH IMMUNITY

In Gibbs v. Mahone, the Arkansas Supreme Court held that an officer who acts in unchallenged good faith in making an arrest, who takes bills that were in a pre-arranged buy, and who repays the person who furnished the money used in the buy, cannot be held personally liable for a tortious conversion of the bills if the arrested person proves to be innocent.145 The court stated that the general rule that “public officers are immune from liability for acts within the scope of their official authority and made this observation with respect to police officers.”146 Moreover:

“The duties of law enforcement officers require action immediately and directly inimical to the self-interest of individuals, which is often of the same nature as action inspired by malice, and to permit inquiry into the officers’ motives in every case would inject chaos into law enforcement… Those principles are controlling here. The trial judge was right in observing that Gibbs’s remedy is to apply to the State Claims Commission.”147, 148

140. Supreme Court of Va. v. Consumers Union of the United States, 446 U.S. 719, 731, 100 S.Ct. 1967, 64 L.Ed.2d 641 (1980); See also Forrester v. White, 484 U.S. 219, 223, 108 S.Ct. 538, 98 L.Ed.2d 555 (1988) (“When officials are threatened with personal liability for acts taken pursuant to their official duties, they may be well induced to act with an excess of caution or otherwise to skew their decisions”).
142. Bogan, 523 U.S. at 52.
144. Tenney, 341 U.S. at 377; See also Rattee v. Rockett, 852 F.2d 946, 951 (7th Cir. 1988) (“Legislators may vote for legislation for seemingly improper reasons; nevertheless, the rule of absolute immunity shields this conduct.”).
146. Id. at 118, 661 S.W.2d at 398.
147. Id., 661 S.W.2d at 398-99 (internal quotation marks omitted).
148. The type of immunity provided in Gibbs might have served to protect the officer in Astry, supra note 36, thereby avoiding the awkwardness of making the tort of malicious prosecution immune from suit by calling it negligence.
State officers and employees are immune from civil liability for acts or omissions, other than malicious acts or omissions, occurring within the course and scope of their employment. In *Carter v. Bush*, police officers were inspecting trucks along a highway.\(^{149}\) While they stopped a truck in the northbound lane, a truck in the southbound lane stopped on its own.\(^{150}\) A third vehicle collided with the rear of the southbound truck, and the driver died from his injuries.\(^{151}\) The widow filed a wrongful death action against the police officers.\(^{152}\) The court held that the officers were immune from civil liability because their acts were neither malicious, nor done in bad faith.\(^{153}\)

**Other Sources of Immunity**

Other Arkansas statutes providing varying degrees of governmental or official immunity include, but most likely are not limited to: Arkansas Code Section 6-19-103 (school district directors); Section 6-17-107 (teachers immune for reporting drug abuse by students); Section 6-41-216 (hearing officers in status change hearings for children with disabilities); Section 14-334-104 (public transit systems); Section 14-362-104 (regional airport authorities); Section 16-10-406 (Judicial Discipline and Disability Commission); Section 16-93-1209 (agencies using offenders in community punishment programs); Section 16-66-119 (law enforcement officers serving and executing writs of execution); Section 16-120-103 (charitable immunity); Section 19-10-305 (state officers and employees); Section 20-22-808 (fire departments).

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149. 296 Ark. 261, 263, 753 S.W.2d 534, 535 (1988).
150. *Id.*, 753 S.W.2d at 535.
151. *Id.*, 753 S.W.2d at 535.
152. *Id.*, 753 S.W.2d at 535.
153. *Id.* at 262-68, 753 S.W.2d at 534-38.