



**STATE OF ARKANSAS**  
**SARAH HUCKABEE SANDERS**  
**GOVERNOR**

**Request for Governor's Approval of Proposed Rule or Regulation**

**Department /Agency:** \_\_\_\_\_

**Short Title of Rule:** Rules on Special State Employees (19 CAR § 25)

**New Rule:**  Yes  No

**Amendment to Existing Rule:**  Yes  No

**State Mandate:**  Yes  No

**Federal Mandate:**  Yes  No

If yes, please provide the legal citation of the mandate: \_\_\_\_\_ & 19-11-718 (19-64-503)

**Legal Authority for Rule:** \_\_\_\_\_ & 19-11-718 (19-64-503)

**Proposed Effective Date:** \_\_\_\_\_

**Emergency Rule:**  Yes  No

**Expedited Rule Requested:**  Yes  No


**Summary of Proposed New Rule or Proposed Amendment to Existing Rule:**

**Financial Impact:**  Yes  No  Unknown; If yes or unknown, please explain:

**Public Hearing Occurred on Rule:**  Yes  No **TBD, ASAP**

**Controversial:**  Yes  No

If yes, please explain and provide detail of expected opposition.

**Two Rules Repealed:**                      **Exception from the Governor:**  Exception requested

**First Rule Repealed:**              Rules on Campaign Contribution Limit

Brief explanation of why repeal is appropriate:

The Commission respectfully requests that an exemption be granted. It is the position of the Commission that these proposed amendments would not create a new rule but rather keep existing rules up-to-date and in conformity with the law. If this is considered a new rule, then the Commission requests the exemption be granted. Moreover, the Commission is seeking to repeal The Rules on Campaign Contribution Limit. The proposed amendments will bring the Rules on Special State Employees into conformity with legislation passed during the 95th General Assembly in 2025.

**Second Rule Repealed:**              N/A

Brief explanation of why repeal is appropriate:

N/A

### **Documents Required for Approval Process**

Please note that the Governor’s office will not begin the approval process if any of the following applicable documents are not enclosed with the approval request.

- BLR Questionnaire
- BLR Financial Impact Statement
- Proposed Rule - clean version
- Mark-Up of Rule, if amended from previous version
- Copy of Act or Regulation, if Rule is pursuant to State or Federal mandate

### **Contact Information**

Department POC for Rules Process:                      [Jill Rogers Barham](#)

Department POC for this Rule:                      [Jill Rogers Barham](#)

**NOTE: All documents must be returned to the Governor’s Counsel as a single PDF file.**

**QUESTIONNAIRE FOR FILING PROPOSED RULES WITH  
THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT \_\_\_\_\_  
 BOARD/COMMISSION \_\_\_\_\_  
 BOARD/COMMISSION DIRECTOR \_\_\_\_\_  
 CONTACT PERSON \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 PHONE NO. \_\_\_\_\_ EMAIL \_\_\_\_\_  
 NAME OF PRESENTER(S) AT SUBCOMMITTEE MEETING \_\_\_\_\_  
 PRESENTER EMAIL(S) \_\_\_\_\_

**INSTRUCTIONS**

In order to file a proposed rule for legislative review and approval, please submit this Legislative Questionnaire and Financial Impact Statement, and attach (1) a summary of the rule, describing what the rule does, the rule changes being proposed, and the reason for those changes; (2) both a markup and clean copy of the rule; and (3) all documents required by the Questionnaire.

If the rule is being filed for permanent promulgation, please email these items to the attention of Rebecca Miller-Rice, [miller-ricer@blr.arkansas.gov](mailto:miller-ricer@blr.arkansas.gov), for submission to the Administrative Rules Subcommittee.

If the rule is being filed for emergency promulgation, please email these items to the attention of Director Marty Garrity, [garritym@blr.arkansas.gov](mailto:garritym@blr.arkansas.gov), for submission to the Executive Subcommittee.

Please answer each question completely using layman terms.

\*\*\*\*\*

1. What is the official title of this rule?  
\_\_\_\_\_
2. What is the subject of the proposed rule? \_\_\_\_\_
3. Is this rule being filed under the emergency provisions of the Arkansas Administrative Procedure Act? Yes      No

*If yes, please attach the statement required by Ark. Code Ann. § 25-15-204(c)(1).*

If yes, will this emergency rule be promulgated under the permanent provisions of the Arkansas Administrative Procedure Act? Yes      No

4. Is this rule being filed for permanent promulgation? Yes No

If yes, was this rule previously reviewed and approved under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, what was the effective date of the emergency rule? \_\_\_\_\_

On what date does the emergency rule expire? \_\_\_\_\_

5. Is this rule required to comply with a *federal* statute, rule, or regulation? Yes No

If yes, please provide the federal statute, rule, and/or regulation citation.

6. Is this rule required to comply with a *state* statute or rule? Yes No

If yes, please provide the state statute and/or rule citation.

7. Are two (2) rules being repealed in accord with Executive Order 23-02? Yes No

If yes, please list the rules being repealed.

If no, please explain.

8. Is this a new rule? Yes No

Does this repeal an existing rule? Yes No

If yes, the proposed repeal should be designated by strikethrough. If it is being replaced with a new rule, please attach both the proposed rule to be repealed and the replacement rule.

Is this an amendment to an existing rule? Yes No

If yes, all changes should be indicated by strikethrough and underline. In addition, please be sure to label the markup copy clearly as the markup.

9. What is the state law that grants the agency its rulemaking authority for the proposed rule, outside of the Arkansas Administrative Procedure Act? Please provide the specific Arkansas Code citation(s), including subsection(s).

10. Is the proposed rule the result of any recent legislation by the Arkansas General Assembly?  
Yes      No

If yes, please provide the year of the act(s) and act number(s).

11. What is the reason for this proposed rule? Why is it necessary?

12. Please provide the web address by which the proposed rule can be accessed by the public as provided in Ark. Code Ann. § 25-19-108(b)(1).

13. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

*Please be sure to advise Bureau Staff if this information changes for any reason.*

14. On what date does the public comment period expire for the permanent promulgation of the rule? Please provide the specific date. \_\_\_\_\_

15. What is the proposed effective date for this rule? \_\_\_\_\_

16. Please attach (1) a copy of the notice required under Ark. Code Ann. § 25-15-204(a)(1) and (2) proof of the publication of that notice.

17. Please attach proof of filing the rule with the Secretary of State, as required by Ark. Code Ann. § 25-15-204(e)(1)(A).

18. Please give the names of persons, groups, or organizations that you anticipate will comment on these rules. Please also provide their position (for or against), if known.

19. Is the rule expected to be controversial? Yes No

If yes, please explain.

**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY.**

**DEPARTMENT** \_\_\_\_\_  
**BOARD/COMMISSION** \_\_\_\_\_  
**PERSON COMPLETING THIS STATEMENT** \_\_\_\_\_  
**TELEPHONE NO.** \_\_\_\_\_ **EMAIL** \_\_\_\_\_

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

**TITLE OF THIS RULE** \_\_\_\_\_

1. Does this proposed, amended, or repealed rule have a financial impact?  
Yes                      No
  
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?  
Yes                      No
  
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes                      No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency’s statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:
  - (a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes      No

If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

## **NOTICE OF RULE MAKING AND PUBLIC HEARING ARKANSAS ETHICS COMMISSION**

NOTICE is hereby given that the Arkansas Ethics Commission intends to amend the portions of the Code of Arkansas Rules (“CAR”) under the jurisdiction of the Arkansas Ethics Commission, specifically the Rules on Ballot and Legislative Question Committees (7 CAR § 7), Rules on Campaign Contribution Limit (7 CAR § 2; seeking to repeal), Rules on Campaign Finance & Disclosure (7 CAR § 3), Rules on Conflicts (21 CAR § 2), Rules on Independent Expenditures (7 CAR § 6), Rules on Political Committees (7 CAR § 5), and Rules on Special State Employees (19 CAR § 25). The proposed amendments to the rules are intended to implement and administer the provisions of Acts 250, 270, 323, 419, 524, 592, 994, 996, 999 of the 2025 Regular Session of the 95<sup>th</sup> General Assembly, and to further implement and administer applicable provisions of the laws under the Commission’s jurisdiction. Copies of the proposed amended rules may be obtained from the Commission, which is located at 501 Woodlane, Suite 301N, Little Rock, Arkansas, 72201, telephone (501) 324-9600, and may also be found at [www.ArkansasEthics.com](http://www.ArkansasEthics.com).

Interested parties should forward written comments to Graham F. Sloan, Director, Post Office Box 1917, Little Rock, Arkansas 72203-1917, by 5:00 p.m. on \_\_\_\_\_, \_\_\_\_\_, 2025. The Commission will hold a public hearing on \_\_\_\_\_, \_\_\_\_\_, 2025, beginning at 9:00 a.m. at the Commission’s office in Little Rock to consider the written submissions and receive oral comments on the aforementioned sets of rules.

**Summary of Proposed Amendments to 19 CAR § 25 et seq.**  
**(The Rules on Special State Employees)**

**Arkansas Ethics Commission**

**Purpose:**

The purpose of these proposed amendments is to bring 19 CAR § 25 et seq. (The Rules on Special State Employees) into conformity with the legislation passed during the 95<sup>th</sup> General Assembly of the Arkansas Legislature in 2025.

**Summary:**

Act 419 (specifically on pages 656-659 of the voluminous act) repealed parts of Title 19 and changed a statute reference so that what used to be Ark. Code Ann. § “~~19-11-718~~” is now “19-64-503”- Special state employees – Conflicts of interest – Definitions. Based upon this change, it appears this necessitates revision to the Rules on Special State Employees – Conflicts of Interest at 19 CAR § 25-104 and 19 CAR § 25-105 to replace obsolete references to “19-11-718” with the new statute “19-64-503.”

# Proposed Rulemaking

## Title

Promulgated by:  
Arkansas Ethics Commission

### **Title 19. Public Finance**

#### **Chapter IV. Arkansas Ethics Commission**

##### **Subchapter A. Generally**

#### **Part 25. Special State Employees — Conflicts of Interest**

##### **Subpart 1. Generally**

#### **19 CAR § 25-101. Definitions.**

As used in this part:

(1)(A) "Conflict of interest" means a special state employee's direct or indirect pecuniary or other interest in a matter before a covered board.

(B) "Conflict of interest" includes without limitation the following:

(i) An offer of employment from an entity that is involved in a procurement matter with the covered board or is involved in a discussion of a procurement matter with the covered board;

(ii) Being an officer or employee of a business, association, or nonprofit organization that is involved in a procurement matter with the covered board or is involved in a discussion of a procurement matter with the covered board; and

(iii) Receiving compensation from an entity that is involved in a procurement matter or is involved in a discussion of a procurement matter with the covered board;

(2)(A) "Covered board" means:

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(i) A commission, board, bureau, office, or other state instrumentality created within the executive branch; and

(ii) An entity that is created by regulation, statute, legislative direction, executive order, or other informal means if the entity has decision-making authority over:

(a) Procurement criteria;

(b) Contracts;

(c) Appointment of individuals to negotiate procurement directly or indirectly; or

(d) The approval of procurements.

(B) "Covered board" does not include the following:

(i) The constitutional departments of the State of Arkansas;

(ii) The elected constitutional offices of the State of Arkansas;

(iii) The General Assembly, including:

(a) The Legislative Council;

(b) The Legislative Joint Auditing Committee; and

(c) Supporting agencies and bureaus of the General Assembly;

(iv) The Supreme Court;

(v) The Court of Appeals;

(vi) The circuit courts;

(vii) Prosecuting attorneys;

(viii) The Administrative Office of the Courts;

(ix) An institution of higher education;

(x) A municipal government;

(xi) A county government;

(xii) An interstate agency; or

(xiii) A legislative task force or committee if the legislative task force or committee only advises the General Assembly; and

(3)(A) "Special state employee" means a person appointed to a covered board, regardless of whether the person:

**DRAFT**

- (i) Receives compensation for his or her services;
- (ii) Receives reimbursement for travel expenses;
- (iii) Receives per diem; or
- (iv) Was appointed formally or informally.

(B) "Special state employee" does not include a constitutional officeholder or an ex officio or nonvoting member of a covered board.

**19 CAR § 25-102. Required disclosure.**

A special state employee shall disclose a conflict of interest in a procurement matter before the covered board:

(1) Either:

(A) In writing to the head of the covered board; or

(B) Orally or in writing at a public meeting of the covered board if the disclosure is included in the minutes of the public meeting; and

(2) By filing a conflict of interest disclosure report with the Secretary of State within five (5) business days of the date the special state employee becomes aware of the conflict of interest.

**19 CAR § 25-103. Decision making.**

(a) A special state employee shall not vote on, receive, or read confidential materials related to, participate in the discussion of, or attempt to influence the covered board's decision on a procurement matter if the special state employee has a conflict of interest in the procurement matter.

(b) A special state employee who is a lobbyist registered under Arkansas Code § 21-8-601 shall recuse himself or herself from a procurement matter before the covered board if the:

(1) Special state employee receives compensation as a lobbyist from an entity involved in the procurement matter; or

(2) Procurement matter involves a person or entity that is a competitor of a lobbying client of the special state employee.

(c) A special state employee or former special state employee shall not:

(1) Represent an entity other than the State of Arkansas in a matter in which he or she participated in:

(A) Making a decision;

(B) Rendering approval or disapproval;

(C) Making a recommendation; or

(D) Rendering advice on behalf of the covered board; or

(2) Assist or represent a party for contingent compensation in a matter involving a covered board other than in a judicial, administrative, or quasi-judicial proceeding.

(d) A former special state employee shall not lobby the members or staff of a covered board of which he or she is a former member for one (1) year after the cessation of the special state employee's membership on the covered board.

(e) A contract entered into by a covered board, including a renewal, extension, or amendment of a contract entered into by a covered board, shall include a statement that no special state employee has been influenced by the vendor in the course of the procurement.

#### **19 CAR § 25-104. Complaints.**

(a) In accordance with Arkansas Code § 7-6-218, a complaint alleging a violation of Arkansas Code § ~~19-11-718~~ 19-64-503 may be filed with the Arkansas Ethics Commission.

(b) The complaint process is the subject of 7 CAR §§ 1-501 et seq. – 1-1001 et seq.

#### **19 CAR § 25-105. Penalties and removal.**

(a) If the Arkansas Ethics Commission finds that a special state employee has committed a violation of Arkansas Code § ~~19-11-718~~ 19-64-503, then it may:

(1) Impose a fine of not less than fifty dollars (\$50.00) and not more than two thousand dollars (\$2,000);

- (2) Issue a public letter of caution, warning, or reprimand;
- (3) Order the special state employee to file or amend a statutorily-required disclosure form;
- (4) Remove the special state employee from the covered board which he or she serves; and/or
- (5) Report its findings, along with such information and documents as it deems appropriate, and make recommendations to the proper law enforcement authorities.
- (b)(1) When exercising the authority set forth in subdivision (a)(4) of this section, the commission shall specifically state in its final order that the special state employee has been removed and that a vacancy exists.
- (2) Notice of the removal shall be sent to the covered board.
- (c) When exercising the authority set forth in subdivision (a)(5) of this section, the commission is not required to make a finding of a violation of Arkansas Code § ~~19-11-718~~ 19-64-503.

# Proposed Rulemaking

## Title

Promulgated by:  
Arkansas Ethics Commission

### **Title 19. Public Finance**

#### **Chapter IV. Arkansas Ethics Commission**

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(ii) Being an officer or employee of a business, association, or nonprofit organization that is involved in a procurement matter with the covered board or is involved in a discussion of a procurement matter with the covered board;  
and

(iii) Receiving compensation from an entity that is involved in a procurement matter or is involved in a discussion of a procurement matter with the covered board;

(2)(A) "Covered board" means:

**DRAFT**

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(ii) An entity that is created by regulation, statute, legislative direction, executive order, or other informal means if the entity has decision-making authority over:

*(a)* Procurement criteria;

*(b)* Contracts;

*(c)* Appointment of individuals to negotiate procurement directly or indirectly; or

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(B) "Covered board" does not include the following:

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(iii) The General Assembly, including:

*(a)* The Legislative Council;

*(b)* The Legislative Joint Auditing Committee; and

*(c)* Supporting agencies and bureaus of the General Assembly;

(iv) The Supreme Court;

(v) The Court of Appeals;

(vi) The circuit courts;

(vii) Prosecuting attorneys;

(viii) The Administrative Office of the Courts;

(ix) An institution of higher education;

(x) A municipal government;

(xi) A county government;

(xii) An interstate agency; or

(xiii) A legislative task force or committee if the legislative task force or committee only advises the General Assembly; and

(3)(A) "Special state employee" means a person appointed to a covered board, regardless of whether the person:

- (i) Receives compensation for his or her services;
- (ii) Receives reimbursement for travel expenses;
- (iii) Receives per diem; or
- (iv) Was appointed formally or informally.

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(1) Either:

(A) In writing to the head of the covered board; or

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(2) By filing a conflict of interest disclosure report with the Secretary of State within five (5) business days of the date the special state employee becomes aware of the conflict of interest.

**19 CAR § 25-103. Decision making.**

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(b) A special state employee who is a lobbyist registered under Arkansas Code § 21-8-601 shall recuse himself or herself from a procurement matter before the covered board if the:

(1) Special state employee receives compensation as a lobbyist from an entity involved in the procurement matter; or

(2) Procurement matter involves a person or entity that is a competitor of a lobbying client of the special state employee.

(c) A special state employee or former special state employee shall not:

(1) Represent an entity other than the State of Arkansas in a matter in which he or she participated in:

(A) Making a decision;

(B) Rendering approval or disapproval;

(C) Making a recommendation; or

(D) Rendering advice on behalf of the covered board; or

(2) Assist or represent a party for contingent compensation in a matter involving a covered board other than in a judicial, administrative, or quasi-judicial proceeding.

(d) A former special state employee shall not lobby the members or staff of a covered board of which he or she is a former member for one (1) year after the cessation of the special state employee's membership on the covered board.

(e) A contract entered into by a covered board, including a renewal, extension, or amendment of a contract entered into by a covered board, shall include a statement that no special state employee has been influenced by the vendor in the course of the procurement.

#### **19 CAR § 25-104. Complaints.**

(a) In accordance with Arkansas Code § 7-6-218, a complaint alleging a violation of Arkansas Code § 19-64-503 may be filed with the Arkansas Ethics Commission.

(b) The complaint process is the subject of 7 CAR §§ 1-501 et seq. – 1-1001 et seq.

#### **19 CAR § 25-105. Penalties and removal.**

(a) If the Arkansas Ethics Commission finds that a special state employee has committed a violation of Arkansas Code § 19-64-503, then it may:

(1) Impose a fine of not less than fifty dollars (\$50.00) and not more than two thousand dollars (\$2,000);

(2) Issue a public letter of caution, warning, or reprimand;

(3) Order the special state employee to file or amend a statutorily-required disclosure form;

(4) Remove the special state employee from the covered board which he or she serves; and/or

(5) Report its findings, along with such information and documents as it deems appropriate, and make recommendations to the proper law enforcement authorities.

(b)(1) When exercising the authority set forth in subdivision (a)(4) of this section, the commission shall specifically state in its final order that the special state employee has been removed and that a vacancy exists.

(2) Notice of the removal shall be sent to the covered board.

(c) When exercising the authority set forth in subdivision (a)(5) of this section, the commission is not required to make a finding of a violation of Arkansas Code § 19-64-503.

1 State of Arkansas *As Engrossed: H2/20/25 S3/4/25*

2 95th General Assembly

# A Bill

3 Regular Session, 2025

HOUSE BILL 1508

4

5 By: Representatives M. Shepherd, Gazaway

6 By: Senators C. Tucker, J. Bryant

7

8

## For An Act To Be Entitled

9 AN ACT CONCERNING THE RECODIFICATION OF TITLE 19 OF  
10 THE ARKANSAS CODE CONCERNING PUBLIC FINANCE; TO  
11 REPEAL AND RECODIFY TITLE 19 OF THE ARKANSAS CODE  
12 WITH CERTAIN EXCEPTIONS; TO AMEND LAWS RESULTING FROM  
13 INITIATED ACTS 2000, NO. 1; TO MAKE CONFORMING  
14 CHANGES TO THE ARKANSAS CODE; AND FOR OTHER PURPOSES.

15

16

17

## Subtitle

18

19

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22

23

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

25

26 SECTION 1. DO NOT CODIFY. Repeal of Arkansas Code, Title 19 –

27 Exceptions.

28 (a) Except as provided in subsection (b) of this section, Arkansas  
29 Code, Title 19, is repealed.

30 (b) The following portions of Arkansas Code, Title 19, are not  
31 repealed:

32 (1) Section 19-4-803, resulting from Initiated Acts 2000, No. 1,  
33 § 19, and concerning exemptions from the laws regarding the expenditure of  
34 cash funds;

35 (2) The Tobacco Settlement Proceeds Act, § 19-12-101 et seq.,  
36 resulting from Initiated Acts 2000, No. 1, §§ 1-18;



1 described under this subsection shall comply with the Arkansas Procurement  
2 Law, § 19-61-101 et seq., and § 19-67-101 et seq. to the extent that the  
3 Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-101 et seq. do not  
4 conflict with this section.

5 (3) An employee of a state-supported institution of higher  
6 education who provides goods or services to a state agency through his or her  
7 association with an organization that has a contract with the state agency to  
8 provide goods or services shall obtain the requisite approvals under the  
9 policies of the state-supported institution of higher education by which he  
10 or she is employed and comply with all provisions of this chapter.

11 (c)(1) No later than January 31 each year, an employee or former  
12 employee contracting or receiving benefits under this section shall file with  
13 the Secretary of State on a form provided by the Secretary of State a  
14 disclosure of the type and amount of the contract or benefits received during  
15 the previous year.

16 (2) Failure to file the required form with the Secretary of  
17 State as required under subdivision (c)(1) of this section is a breach of  
18 ethical standards.

19

20 19-64-503. Special state employees – Conflicts of interest –  
21 Definitions.

22 (a) As used in this section:

23 (1)(A) “Conflict of interest” means a special state employee’s  
24 direct or indirect pecuniary or other interest in a matter before a covered  
25 board.

26 (B) “Conflict of interest” includes without limitation the  
27 following:

28 (i) An offer of employment from an entity that is  
29 involved in a procurement matter with the covered board or is involved in a  
30 discussion of a procurement matter with the covered board;

31 (ii) Being an officer or employee of a business,  
32 association, or nonprofit organization that is involved in a procurement  
33 matter with the covered board or is involved in a discussion of a procurement  
34 matter with the covered board; and

35 (iii) Receiving compensation from an entity that is  
36 involved in a procurement matter or is involved in a discussion of a

1 procurement matter with the covered board;

2 (2)(A) "Covered board" means:

3 (i) A commission, board, bureau, office, or other  
4 state instrumentality created within the executive branch; and

5 (ii) An entity that is created by rule, statute,  
6 legislative direction, executive order, or other informal means if the entity  
7 has decision-making authority over procurement criteria, contracts,  
8 appointment of individuals to negotiate procurement directly or indirectly,  
9 or the approval of procurements.

10 (B) "Covered board" does not include the following:

11 (i) The constitutional departments of the state;

12 (ii) The elected constitutional offices of the  
13 state;

14 (iii) The General Assembly, including the  
15 Legislative Council, the Legislative Joint Auditing Committee, and supporting  
16 agencies and bureaus of the General Assembly;

17 (iv) The Supreme Court;

18 (v) The Court of Appeals;

19 (vi) The circuit courts;

20 (vii) Prosecuting attorneys;

21 (viii) The Administrative Office of the Courts;

22 (ix) An institution of higher education;

23 (x) A municipal government;

24 (xi) A county government;

25 (xii) An interstate agency; or

26 (xiii) A legislative task force or committee if the  
27 legislative task force or committee only advises the General Assembly; and

28 (3)(A) "Special state employee" means a person appointed to a  
29 covered board, whether or not the person:

30 (i) Receives compensation for his or her services;

31 (ii) Receives reimbursement for travel expenses;

32 (iii) Receives per diem; or

33 (iv) Was appointed formally or informally.

34 (B) "Special state employee" does not include a  
35 constitutional officeholder or an ex officio or nonvoting member of an entity  
36 described in subdivision (a)(2)(A) of this section.

1 (b) A special state employee shall disclose a conflict of interest in  
2 a procurement matter before the covered board:

3 (1) Either:

4 (A) In writing to the head of the covered board; or

5 (B) Orally or in writing at a public meeting of the  
6 covered board if the disclosure is included in the minutes of the public  
7 meeting; and

8 (2) By filing a conflict of interest disclosure report with the  
9 Secretary of State within five (5) business days of the date the special  
10 state employee becomes aware of the conflict of interest.

11 (c) A special state employee shall not vote on, receive or read  
12 confidential materials related to, participate in discussion of, or attempt  
13 to influence the covered board's decision on a procurement matter if the  
14 special state employee has a conflict of interest in the procurement matter.

15 (d) A special state employee who is a lobbyist registered under § 21-  
16 8-601 shall recuse himself or herself from a procurement matter before the  
17 covered board if:

18 (1) The special state employee receives compensation as a  
19 lobbyist from an entity involved in the procurement matter; or

20 (2) The procurement matter involves a person or entity that is a  
21 competitor of a lobbying client of the special state employee.

22 (e) A special state employee or former special state employee shall  
23 not:

24 (1) Represent an entity other than the state in a matter in  
25 which he or she participated in making a decision, rendering approval or  
26 disapproval, making a recommendation, or rendering advice on behalf of the  
27 covered board; or

28 (2) Assist or represent a party for contingent compensation in a  
29 matter involving a covered board other than in a judicial, administrative, or  
30 quasi-judicial proceeding.

31 (f) A former special state employee shall not lobby a member or the  
32 staff of a covered board of which he or she is a former member for one (1)  
33 year after the cessation of the special state employee's membership on the  
34 covered board.

35 (g) A contract entered into by a covered board, including a renewal,  
36 extension, or amendment of a contract entered into by a covered board, shall

1 include a statement that a special state employee has not been influenced by  
2 the vendor in the course of the procurement.

3 (h)(1) A complaint about a violation of this section may be filed with  
4 the Arkansas Ethics Commission.

5 (2) A violation of this section is grounds for discipline or  
6 removal of the special state employee by the commission.

7 (i) The commission shall promulgate rules regarding disciplinary and  
8 removal proceedings for special state employees.

9

10

## CHAPTER 65

11

### PROCUREMENT OF PROFESSIONAL SERVICES

12

13 Subchapter 1. General Provisions

14 Subchapter 2. Certain Professional Services Procured by the State and

15 Political Subdivisions

16

17 Subchapter 1 – General Provisions

18

19 19-65-101. Policy.

20 (a) It is the policy of the State of Arkansas that state agencies  
21 shall follow the procedures stated in this section, except that competitive  
22 bidding shall not be used for the procurement of legal, architectural,  
23 engineering, construction management, and land surveying professional  
24 consultant services if:

25 (1) State agencies not exempt from review and approval of the  
26 Building Authority Division shall follow procedures established by the  
27 division for the procurement of architectural, engineering, land surveying,  
28 and construction management services; and

29 (2) Institutions of higher education exempt from review and  
30 approval of the division shall follow procedures established by their  
31 governing boards for the procurement of architectural, engineering, land  
32 surveying, and construction management professional consultant services.

33 (b) It is the policy of the State of Arkansas and its political  
34 subdivisions that political subdivisions shall follow the procedures stated  
35 in this section, except that competitive bidding shall not be used for the  
36 procurement of legal, financial advisory, architectural, engineering,