

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1931

By: Representative M. Gray

## For An Act To Be Entitled

AN ACT CONCERNING BUSINESS CLOSURE ORDERS UNDER THE ARKANSAS TAX PROCEDURE ACT; TO AMEND PROCUREMENT LAWS TO PROHIBIT CONTRACTS WITH A BUSINESS THAT IS SUBJECT TO A BUSINESS CLOSURE ORDER; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND PROCUREMENT LAWS TO PROHIBIT CONTRACTS WITH A BUSINESS THAT IS SUBJECT TO A BUSINESS CLOSURE ORDER UNDER THE ARKANSAS TAX PROCEDURE ACT.

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

SECTION 1. Arkansas Code Title 19, Chapter 11, Subchapter 2, is amended to add an additional section to read as follows:

19-11-273. Cancellation of contract on entry of final business closure order.

(a) As used in this subchapter, "final business closure order" means a business closure order for which a contractor has either:

(1) Waived further administrative review under § 26-18-1001 et seq.; or

(2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

(b) The Revenue Division of the Department of Finance and Administration shall provide to the Office of State Procurement all final business closure orders entered into against a contractor.

(c) Upon receipt of a final business closure order, the Office of State Procurement shall, as soon as reasonably practicable:



(1) Notify each state agency with which the contractor has a contract that the:

(A) Contractor is subject to a final business closure order; and

(B) Provision of any goods or services, or both, under a contract with the contractor that is subject to a final business closure order shall cease as soon as reasonably practicable; and

(2) Notify all state agencies that the contractor that is subject to a final business closure order shall not be awarded or maintain a contract with a state agency unless the Office of State Procurement provides notice under subsection (d) of this section.

(d) Upon receipt of information that a contractor has resolved a business closure, the Office of State Procurement shall notify all state agencies, as soon as reasonably practicable, that:

(1) Any unexpired contracts with the contractor may continue if the contract was not terminated, cancelled, suspended, or discontinued; and

(2) The contractor may be awarded or maintain a contract with a state agency.

SECTION 2. Arkansas Code Title 19, Chapter 11, Subchapter 10, is amended to add an additional section to read as follows:

19-11-1015. Cancellation of contract on entry of final business closure order.

(a) As used in this subchapter, "final business closure order" means a business closure order for which a contractor has either:

(1) Waived further administrative review under § 26-18-1001 et seq.; or

(2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

(b) The Revenue Division of the Department of Finance and Administration shall provide to the Office of State Procurement all final business closure orders entered into against a contractor.

(c) Upon receipt of a final business closure order, the Office of State Procurement shall, as soon as reasonably practicable:

(1) Notify each state agency with which the contractor has a contract that the:

(A) Contractor is subject to a final business closure

order; and

(B) Provision of any goods or services, or both, under a contract with the contractor that is subject to a final business closure order shall cease as soon as reasonably practicable; and

(2) Notify all state agencies that the contractor that is subject to a final business closure order shall not be awarded or maintain a contract with a state agency unless the Office of State Procurement provides notice under subsection (d) of this section.

(d) Upon receipt of information that a contractor has resolved a business closure, the Office of State Procurement shall notify all state agencies, as soon as reasonably practicable, that:

(1) Any unexpired contracts with the contractor may continue if the contract was not terminated, cancelled, suspended, or discontinued; and

(2) The contractor may be awarded or maintain a contract with a state agency.

SECTION 3. Arkansas Code § 26-18-303(b), concerning exemptions from the confidentiality requirement for tax records, is amended to add an additional subdivision to read as follows:

(26) Disclosure of information related to a business closure order under § 26-18-1001 et seq. to the Office of State Procurement for the purpose of carrying out §§ 19-11-273 and 19-11-1015.

SECTION 4. EFFECTIVE DATE. Sections 1-3 of this act are effective on January 1, 2020.

**APPROVED: 4/10/19**