

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

SENATE BILL 220

By: Senator J. Boyd  
By: Representative Achor

## For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS SECURITIES ACT; TO  
CLARIFY EXEMPT TRANSACTIONS UNDER THE ARKANSAS  
SECURITIES ACT; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE ARKANSAS SECURITIES ACT;  
AND TO CLARIFY EXEMPT TRANSACTIONS UNDER  
THE ARKANSAS SECURITIES ACT.

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

SECTION 1. DO NOT CODIFY. This act shall be known and may be cited as the "Invest Arkansas Exemption Act".

SECTION 2. Arkansas Code § 23-42-504(a)(12), concerning an exempt transaction that is an offer or sale of a security by an issuer under the Arkansas Securities Act, is amended to read as follows:

(12) An offer or sale of a security by an issuer if the offer or sale of the security is conducted according to the following:

(A) ~~Either of the following applies:~~

~~(i) The issuer of the security is a corporation or other business entity organized and operating~~ for-profit business entity formed under the laws of this state and ~~has its principal place of business in Arkansas and is registered with the Secretary of State;~~

(B) ~~the~~ The transaction meets the requirements of the federal exemption for intrastate offerings in either:

~~(i) section~~ Section 3(a)(11) of the Securities Act



of 1933, 15 U.S.C. § 77c(a)(11), as it existed on ~~January 1, 2017~~ January 1, 2025, and Rule 147 of the United States Securities and Exchange Commission, 17 C.F.R. § 230.147, as it existed on ~~January 1, 2017~~, and as such, ~~the securities shall be offered to and sold only to persons who are residents of this state at the time of purchase~~ January 1, 2025; or

(ii) ~~The issuer of the security is a corporation or other business entity with its principal place of business in Arkansas and the transaction meets the requirements of the federal exemption for intrastate offerings in section 28 of the Securities Exchange Act of 1933, 15 U.S.C. § 77z-3, as it existed on January 1, 2017, and Rule 147A of the United States Securities and Exchange Commission, 17 C.F.R. § 230.147A, as it existed on January 1, 2017, and as such, the securities shall be sold only to persons who are residents of this state at the time of purchase~~ January 1, 2025;

~~(B)(C)~~ (C) The sum of all cash and other consideration to be received for all sales of the security in reliance upon the exemption described in this subdivision (a)(12) shall not exceed ~~one million dollars (\$1,000,000)~~ ten million dollars (\$10,000,000), less the aggregate amount received for all sales of securities by the issuer within ~~six (6) months after the completion of the offering~~ twelve (12) months before the first offer or sale made in reliance upon this exemption;

~~(C)(D)(i)~~ (D)(i) The issuer shall not accept more than ~~five thousand dollars (\$5,000)~~ one hundred thousand dollars (\$100,000) from any single purchaser unless the purchaser is an accredited investor as defined by Rule 501 of United States Securities and Exchange Commission Regulation D, 17 C.F.R. § 230.501, as it existed on ~~January 1, 2017~~ January 1, 2025.

(ii) Two (2) or more individual purchasers residing at the same primary residence who are not accredited investors and have a close family relationship shall be treated as a single purchaser for purposes of the monetary limit under subdivision (a)(12)(D)(i) of this section;

~~(D) The issuer should reasonably believe that all purchasers of securities are purchasing for investment and not for sale in connection with a distribution of the security;~~

~~(E) A commission or remuneration shall not be paid or given, directly or indirectly, for a person's participation in the offer or sale of securities for the issuer unless the person is registered as a~~

~~broker-dealer or agent under this chapter~~ All funds received from investors shall:

(i) Be deposited into a bank as defined in § 23-45-102(a)(5)(A) authorized to do business in this state; and

(ii) Used according to the representations made to investors;

~~(F)(i) The commissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition the exemption under this subdivision (a)(12)~~ The issuer shall file a proof of exemption with the commissioner in writing at least ten (10) days before securities are sold.

(ii) The proof of exemption under subdivision (a)(12)(F)(i) of this section shall specify that the issuer is conducting an offering in reliance of the exemption under this subdivision (a)(12).

(iii) The proof of exemption under subdivision (a)(12)(F)(i) of this section shall contain:

(a) The name and address of the issuer;

(b) The name and address of all persons who will be involved in the offer or sale of securities on behalf of the issuer;

(c) The name and address of the bank as defined in § 23-45-102(a)(5)(A) into which investor funds will be deposited; and

(d) A copy of the offering documents to be provided to each prospective purchaser in connection with the offering.

~~(G)(iv) A~~ The issuer shall pay a filing fee of one hundred dollars (\$100) shall be paid to the commissioner for every proof of exemption filed with the commissioner under this subdivision (a)(12)(a)(12)(F)(i) of this section.

(v) If the information contained in the proof of exemption filed with the commissioner under subdivision (a)(12)(F)(i) of this section becomes inaccurate for any reason, the issuer shall file an amendment in writing with the commissioner within sixty (60) days;

(G) The issuer shall inform all purchasers that the securities have not been registered under this chapter and cannot be resold unless the securities are:

(i) Registered or qualify for an exemption from

registration under this section and §§ 23-42-501 – 503; and

(ii) Subject to the limitation on resales contained in either:

(a) Subsection (e) of Rule 147 of the United States Securities and Exchange Commission, 17 C.F.R. 230.147(e), as it existed on January 1, 2025, and in the manner described in subsection (f) of Rule 147 of the United States Securities and Exchange Commission, 17 C.F.R. 230.147(f), as it existed on January 1, 2025; or

(b) Subsection (e) of Rule 147(A) of the United States Securities and Exchange Commission, 17 C.F.R. 230.147A(e), as it existed on January 1, 2025, and in the manner described in subsection (f) of Rule 147A of the United States Securities and Exchange Commission, 17 C.F.R. 230.147(A)(f), as it existed on January 1, 2025;

(H) A commission or other remuneration shall not be paid or given, directly or indirectly, for any person's participation in the offer or sale of securities for the issuer unless the person is registered as a broker-dealer or agent under this chapter or a funding portal registered with the Financial Industry Regulatory Authority;

(I) The issuer shall not be, either before or as a result of the offering:

(i) An investment company as defined in Section 3 of the Investment Company Act of 1940, 15 U.S.C. § 80a-3, as it existed on January 1, 2025;

(ii) Subject to the reporting requirements of:

(a) Section 13 of the Securities and Exchange Act of 1934, 15 U.S.C. § 78m, as it existed on January 1, 2025; or

(b) Section 15(d) of the Securities and Exchange Act of 1934, 15 U.S.C. § 78o(d), as it existed on January 1, 2025;

or

(iii) Considered a blind pool or a company that has:

(a) Not yet defined its business operations;

(b) No business plan;

(c) No stated investment goal for the funds

being raised; or

(d) Plans to engage in a merger or acquisition with an unspecified business entity;

(J) The exemption under this subdivision (a)(12) shall not be used in conjunction with any other exemption under this chapter except for:

(i) The exemption to institutional investors under subdivision (a)(8) of this section; and

(ii)(a) Offers and sales to controlling persons of the issuer.

(b) Sales to controlling persons under subdivision (a)(12)(J)(ii)(a) of this section shall not count toward the limitation under subdivision (a)(12)(D) of this section; and

(K) The exemption under this subdivision (a)(12) shall not:

(i) Be available if the issuer is subject to an event that would disqualify an issuer under Rule 506(d)(1) of the United States Securities and Exchange Commission Regulation D, 17 C.F.R. § 230.506(d)(1), as it existed on January 1, 2025; or

(ii) Be construed to alleviate a person from the antifraud provisions under § 23-42-507.

**APPROVED: 3/4/25**