

Stricken language would be deleted from and underlined language would be added to present law.

Act 956 of the Regular Session

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State of Arkansas

As Engrossed: H4/15/25

95th General Assembly

A Bill

Regular Session, 2025

SENATE BILL 491

By: Senator K. Hammer

By: Representative Achor

For An Act To Be Entitled

AN ACT TO REQUIRE A VENDOR THAT CONTRACTS WITH THE EMPLOYEE BENEFITS DIVISION TO SUBMIT DATA FOR VERIFICATION BY AN INDEPENDENT AUDIT; TO IMPOSE A CIVIL PENALTY ON A VENDOR THAT PROVIDES INACCURATE DATA; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE A VENDOR THAT CONTRACTS WITH THE EMPLOYEE BENEFITS DIVISION TO SUBMIT DATA FOR VERIFICATION BY AN INDEPENDENT AUDIT; TO IMPOSE A CIVIL PENALTY ON A VENDOR THAT PROVIDES INACCURATE DATA; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 21-5-404(10), concerning the powers, functions, and duties of the State Board of Finance concerning contracts with qualified vendors, is amended to read as follows:

(10)(A) To direct the office to contract with qualified vendors, as defined by the board, offering the plan options under the program as prescribed by the board without regard to § 19-11-228 or other statutes requiring competitive bidding.

(B) Each contract shall:

(i) be ~~be~~ Be for a term of at least one (1) year but may be made automatically renewable from term to term in the absence of



notice of termination by either party; and

(ii) Require a qualified vendor to agree to verification of the vendor's data under § 21-5-425; and

SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended to add an additional section to read as follows:

21-5-425. Verification of data of vendor – Independent audit process – Civil penalty – Rules.

(a) A vendor that contracts with the *Employee Benefits Division* under this subchapter and a fiscal impact is required shall agree to verify the accuracy of the data the vendor provides to the state.

(b) The *division* shall not contract with a vendor for services for the *division* that does not agree to submit to an independent audit process to verify the accuracy of the vendor's data.

(c) The Director of the Employee Benefits Division:

(1) Shall develop an independent audit process to verify the accuracy of the data a vendor provides to the state; and

(2) May request a vendor submit to an independent audit process.

(d) A vendor that is found through the independent audit process under subdivision (c)(2) of this section to have provided inaccurate data to the state is subject to:

(1) A civil penalty of:

(A) Five hundred dollars (\$500) for a first violation; and

(B) One thousand dollars (\$1,000) for each subsequent violation; and

(2) Loss of licensure or authorization to operate in this state.

(e) The director shall promulgate rules to implement this section.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that using accurate data is indispensable when considering the fiscal impact of legislation for this state; that vendors may not provide accurate data and the state needs an independent audit process to enable the state to verify the accuracy of vendor data; and that this act is immediately necessary because it is vital to know the fiscal impact of the passage of legislation to protect the residents of this state. Therefore, an emergency is declared to exist, and

this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/K. Hammer

APPROVED: 4/21/25