

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 470

By: Senator Caldwell

For An Act To Be Entitled

AN ACT TO PROHIBIT THE ENGAGEMENT OF AUDITORS AND APPRAISERS ON A CONTINGENCY FEE BASIS; AND FOR OTHER PURPOSES.

Subtitle

TO PROHIBIT THE ENGAGEMENT OF AUDITORS AND APPRAISERS ON A CONTINGENCY FEE BASIS.

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

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

Subchapter 14 – Contingency Fees for Audits and Appraisals

19-11-1401. Definitions.

As used in this subchapter:

(1) “Person” means an individual, partnership, limited liability company, limited liability partnership, corporation, estate, trust, fiduciary, or any other legal entity;

(2) “Political subdivision” means:

(A) A county, municipality, school district, improvement district, or other county or municipal corporation; and

(B) An official, office, employee, or instrumentality of an entity described in subdivision (2)(A) of this section; and

(3) “State agency” means an agency, institution, authority, department, board, commission, bureau, council, or other agency of the state



supported by the appropriation of state or federal funds, including the offices of the executive department established under Arkansas Constitution, Article 6.

19-11-1402. Prohibition of contingency fees for audits and appraisals.

A state agency or political subdivision shall not:

(1) Employ an auditor or appraiser on a contingency fee basis;

or

(2) Enter into a contingency fee contract to procure services

relating to the:

(A) Auditing of a transaction, privilege, tax, or person

for:

(i) Taxation purposes; or

(ii) Purposes of determining the person's compliance

with one (1) or more laws; or

(B) Appraisal of a person's property for:

(i) Taxation purposes; or

(ii) Purposes of determining the person's compliance

with one (1) or more laws.