

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

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 653

By: Senator G. Leding

For An Act To Be Entitled

AN ACT TO AMEND BUSINESS CORPORATION LAW; TO MODIFY THE ARKANSAS BUSINESS CORPORATION ACT OF 1987; TO ENSURE FAIR WORKER REPRESENTATION ON A CORPORATE BOARD OF DIRECTORS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND BUSINESS CORPORATION LAW; TO MODIFY THE ARKANSAS BUSINESS CORPORATION ACT OF 1987; AND TO ENSURE FAIR WORKER REPRESENTATION ON A CORPORATE BOARD OF DIRECTORS.

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

SECTION 1. Arkansas Code § 4-26-802, concerning the number, election, and term of directors of a business corporation, is amended to add an additional subsection to read as follows:

(g)(1) At least two-fifths (2/5) of the directors of a corporation shall be elected by the employees of the corporation using an election process.

(2) A director elected by the employees of the corporation under subdivision (g)(1) of this section shall:

(A) Have the same rights and powers as a director elected by the stockholders; and

(B) Be subject to the same duties and responsibilities as a director elected by the stockholders.

(3) This subsection applies only to a corporation with more than



fifty million dollars (\$50,000,000) in gross receipts in a taxable year.

SECTION 2. Arkansas Code § 4-27-803, concerning the number and election of directors under the Arkansas Business Corporation Act of 1987, is amended to add an additional subsection to read as follows:

(e)(1) At least two-fifths (2/5) of the directors of a corporation shall be elected by the employees of the corporation using an election process.

(2) A director elected by the employees of the corporation under subdivision (e)(1) of this section shall:

(A) Have the same rights and powers as a director elected by the stockholders; and

(B) Be subject to the same duties and responsibilities as a director elected by the stockholders.

(3) This subsection applies only to a corporation with more than fifty million dollars (\$50,000,000) in gross receipts in a taxable year.