

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

SENATE BILL 643

5 By: Senator D. Sullivan
6 By: Representative McCollum
7

For An Act To Be Entitled

9 AN ACT TO PROVIDE TRANSPARENCY AND ACCOUNTABILITY FOR
10 PUBLIC UTILITIES; TO REQUIRE CERTAIN PUBLIC UTILITIES
11 TO REPORT TO THE LEGISLATIVE COUNCIL; AND FOR OTHER
12 PURPOSES.
13

Subtitle

16 TO PROVIDE TRANSPARENCY AND
17 ACCOUNTABILITY FOR PUBLIC UTILITIES; AND
18 TO REQUIRE CERTAIN PUBLIC UTILITIES TO
19 REPORT TO THE LEGISLATIVE COUNCIL.
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

24 (a) The General Assembly finds that:

25 (1) Arkansas residents continue to face economic hardships due
26 to spiraling inflation;

27 (2) Costs continue to rise for public utility ratepayers for
28 both electricity and natural gas, stretching family budgets to pay for
29 critical services in this state;

30 (3) Electric rates have increased four (4) times for many
31 Arkansas ratepayers since 2021;

32 (4) Natural gas rates increased by more than twenty-three
33 percent (23%) for Summit Utilities ratepayers in 2024;

34 (5) Public utilities must be good stewards of public utility
35 ratepayer funds and should be transparent with how public utility ratepayer
36 funds are spent; and



1 (6) A utility owned by a governmental entity is mandated to
 2 operate with transparency under the Freedom of Information Act of 1967, § 25-
 3 19-101 et seq.

4 (b) It is the intent of the General Assembly that Arkansas takes
 5 responsibility to ensure public utility rates are established with full
 6 transparency and accountability.

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 8 SECTION 2. Arkansas Code Title 23, Chapter 3, is amended to add an
 9 additional subchapter to read as follows:

10
 11 Subchapter 8 – Transparency and Accountability of Public Utilities

12
 13 23-3-801. Definitions.

14 As used in this subchapter:

15 (1)(A) "Advertising" means the act of publishing, disseminating,
 16 soliciting, or circulating written, online, video, or audio communication
 17 intended to induce a person to patronize a product, service, business, or
 18 industry or to promote a business's brand.

19 (B) "Advertising" includes without limitation the act of:

20 (i) Otherwise emphasizing desirable qualities about
 21 a product, service, business, or industry; or

22 (ii) Influencing public opinion with respect to
 23 legislative, administrative, or electoral matters.

24 (C) "Advertising" does not include public communication:

25 (i) Required by law, rule, or order;

26 (ii) The primary purpose of which is to communicate:
 27 (a) Service interruptions, safety measures, or
 28 emergency conditions; or

29 (b) Employment opportunities with a public
 30 utility; or

31 (iii) Directly related to a program approved by the
 32 Arkansas Public Service Commission regarding income-based service, special
 33 rates, or energy conservation.

34 (D) "Advertising" includes a communication if any portion
 35 of the communication is "advertising" as defined in this section;

36 (2) "Compensation" means salary, bonus, benefits, or other

1 consideration of any value;

2 (3) "Covered business unit" means a division, department, or
3 other organizational employee group within a public utility that performs
4 activities described under this subchapter;

5 (4) "Electric utility" means a public utility, an investor-owned
6 utility, an electric cooperative, or any private power supplier or marketer
7 that is engaged in the business of supplying electrical energy to the
8 ultimate consumer or any customer classes within this state;

9 (5) "Expense" means any payment, expenditure, compensation, or
10 costs;

11 (6) "Gas utility" means a person, or any combination of persons,
12 including a lessee, trustee, or receiver of a utility that:

13 (A) Owns or operates, for compensation in this state,
14 equipment or facilities for storing, transmitting, distributing, selling, or
15 furnishing natural gas to or for the public at retail; and

16 (B) Is regulated by the commission;

17 (7) "Governmental utility" means a utility that is required to
18 make its records available for inspection and copy under the Freedom of
19 Information Act of 1967, § 25-19-101 et seq.;

20 (8)(A) "Political influence activity" means an expense for the
21 purpose of directly or indirectly influencing the possible:

22 (i) Adoption, repeal, or modification of federal,
23 state, or local rules, regulations, legislation, or ordinances;

24 (ii) Election, recall, appointment, or removal of a
25 public official;

26 (iii) Adoption or rejection of initiatives or
27 referenda;

28 (iv) Approval, modification, or revocation of a
29 public utility franchise;

30 (v) Public opinion with respect to federal, state,
31 or local:

32 (a) Adoption, repeal, or modification of
33 rules, regulations, legislation, or ordinances;

34 (b) Election, recall, appointment, or removal
35 of a public official;

36 (c) Adoption or rejection of initiatives or

1 referenda;

2 (d) Approval, modification, or revocation of a
3 public utility franchise; or

4 (e) Public utility rate setting; or

5 (vi) Decisions of federal, state, or local
6 government officials.

7 (B) "Political influence activity" includes an activity
8 undertaken in support of activities listed in subdivisions (8)(A)(i) – (vi)
9 of this section, including research, analysis, preparation, or planning or
10 any other related costs identified by the commission.

11 (C) "Political influence activity" does not include:

12 (i) An appearance before the commission when the
13 public utility is the applicant in an uncontested proceeding; or

14 (ii) An appearance before a legislative committee,
15 the commission, or a state agency when the public utility's participation has
16 been specifically requested in writing by the chair of the legislative
17 committee, chair of the commission, or head of the state agency;

18 (9)(A) "Public utility" means:

19 (i) An electric utility; or

20 (ii) A gas utility.

21 (B) "Public utility" does not include a governmental
22 utility; and

23 (10) "Public utility affiliate" means an entity that is related
24 to the public utility as a subsidiary, parent, or sibling corporation,
25 including without limitation by shareholding or other means of control.

26

27 23-3-802. Public utility rate transparency and disclosure – Political
28 and investor-related expenses.

29 (a)(1) On or before January 1, 2026, and annually thereafter, each
30 public utility with more than three thousand (3,000) ratepayers shall provide
31 a report to the Legislative Council.

32 (2) The report required under subdivision (a)(1) of this section
33 shall include the expenses from the previous calendar year of any direct or
34 indirect costs that are recovered through rates of a public utility for:

35 (A) Membership, dues, sponsorships, or contributions to a
36 trade association if any portion of those contributions supports political

1 influence activities or advertising;

2 (B) Charitable giving, including contributions to
3 organizations qualified under 26 U.S.C. § 501(c)(3) or 26 U.S.C. § 501(c)(4),
4 as they existed on January 1, 2025, and any expenses related to charitable
5 giving;

6 (C) Political influence activities;

7 (D) Advertising;

8 (E) Any compensation for an employee of a public utility,
9 if any portion of that compensation is used for attempts by the employee to
10 influence the decision of federal, state, or local government officials;

11 (F) Contributions to a political candidate, political
12 party, campaign committee, issue committee, or independent expenditure
13 committee or other political expenses;

14 (G) Litigation regarding existing or proposed federal,
15 state, or local rules, regulations, legislation, or ordinances;

16 (H) Any costs, including marketing, administration,
17 customer service, or other costs, for products or services not regulated by
18 the Arkansas Public Service Commission;

19 (I) Penalties or fines, including tax penalties or fines,
20 issued against a public utility;

21 (J) Travel, lodging, or food and beverage expenses for a
22 public utility's board of directors and officers or the board of directors
23 and officers of a public utility affiliate;

24 (K) Any owned, leased, or chartered aircraft for the
25 public utility's board of directors and officers or the board of directors
26 and officers of a public utility affiliate;

27 (L) Investor relations; and

28 (M) Annual compensation that is in excess of the current
29 annual compensation of the Governor for an individual, including an employee
30 of the public utility, a member of the public utility's board of directors or
31 officers, or a member of the board of directors or officers of a public
32 utility affiliate.

33 (b) The report required under subdivision (a)(1) of this section shall
34 include without limitation:

35 (1) An itemized list of all expenses associated with activities
36 described under subdivision (a)(2) of this section, including any expenses

1 paid to:

2 (A) A vendor, including a separate line item for each

3 payment to a vendor for activities described under subdivision (a)(2) of this

4 section;

5 (B) A trade association, if any portion of those expenses

6 supports political influence activities or advertising;

7 (C) An organization qualified under 26 U.S.C. § 501(c)(3)

8 or 26 U.S.C. § 501(c)(4), as they existed on January 1, 2025;

9 (D)(i) A public utility employee in the form of

10 compensation or reimbursement.

11 (ii) For each employee listed under subdivision

12 (b)(1)(D)(i) of this section, the list shall include:

13 (a) The employee's job title;

14 (b) A job description sufficient to describe

15 the employee's responsibilities;

16 (c) Each activity described under subdivision

17 (a)(2) of this section in which the employee engaged;

18 (d) A description sufficient to describe the

19 employee's nature of that work;

20 (e) The total annual compensation for the

21 employee;

22 (f) The percentage of annual compensation paid

23 for work associated with the activities described under subdivision (a)(2) of

24 this section;

25 (g) The percentage of annual compensation

26 recoverable from ratepayers; and

27 (h) All uniform system of account codes to

28 which compensation was recorded for the employee; and

29 (E) Public utility affiliates, including a separate line

30 item for each payment to a public utility affiliate for activities described

31 under subdivision (a)(2) of this section;

32 (2) A list of all expenses paid to vendors; and

33 (3)(A) A list of covered business units of the public utility.

34 (B) For each covered business unit, the public utility

35 shall include a list of employees who work in that covered business unit.

36 (C) For each employee, the public utility shall include:

1 (i) The employee's job title;

2 (ii) A job description sufficient to describe the
3 employee's responsibilities; and

4 (iii) Whether or not the employee conducted an
5 activity that is described under subdivision (a)(2) of this section.

6 (c)(1) For an employee who conducted an activity described under
7 subdivision (a)(2) of this section, the report required under subdivision
8 (a)(1) of this section shall list:

9 (A) Each activity described in subdivision (a)(2) of this
10 section in which the employee engaged;

11 (B) A description sufficient to describe the nature of
12 that work;

13 (C) The total annual compensation paid for work associated
14 with the activities described under subdivision (a)(2) of this section;

15 (D) The percentage of annual compensation recoverable from
16 ratepayers; and

17 (E) All uniform system of account codes to which
18 compensation was recorded for the employee.

19 (2) An itemized list required under subdivision (c)(1) of this
20 section shall include:

21 (A) The billing amount;

22 (B) The billing date;

23 (C) The identity of the payee;

24 (D) An explanation of the expense sufficient to describe
25 its purpose; and

26 (E) Any other itemized information deemed relevant by the
27 Legislative Council.

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