

**ADMINISTRATIVE RULES SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL**

Thursday, January 15, 2026

10:00 a.m.

Room A, MAC

Little Rock, Arkansas

A. Call to Order

B. Rules Filed Pursuant to Arkansas Code § 10-3-309

1. Department of Commerce, State Insurance Department (Chris Erwin, Amanda Rose, Mel Anderson)

- a. Insurance Holding Company Systems with Reporting Forms and Instructions, 23 CAR pt. 9

DESCRIPTION: This amendment to our Holding Company System Rule (previously Rule 15) is a National Association of Insurance Commissioners (“NAIC”) model regulation. The companion NAIC model law was passed during this year’s General Assembly as Act 261. The law and the regulation work together to establish new tools for financial regulation of insurers that are part of a holding company system.

The models require the filing of a group capital calculation by the ultimate controlling person in a holding company group with the lead state’s commissioner. There are exceptions for smaller, single-state companies, and holding company systems that are required by the Board of Governors of Federal Reserve System to file a group capital calculation.

These models also establish the requirement of a liquidity stress test if the holding company system meets the criteria, which is reviewed annually by the NAIC’s Financial Stability Task Force. This model regulation also provides direction for how to proceed when an insurer in the holding company system is placed in supervision, seizure, conservatorship, or receivership.

Both the model law, now Act 261 of 2025, and the model regulation will become national accreditation standards on January 1, 2026. This amendment provides guidance and instruction to insurers on how to comply with the new regulatory tools established in Act 261, which will allow more effective regulatory oversight. The Department must promulgate this proposed amended Rule in order to maintain its national accreditation with the NAIC along with all other states.

PUBLIC COMMENT: A public hearing was held on December 8, 2025. The public comment period expired on December 8, 2025. The department indicated it received no public comments.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following question:

QUESTION: In 23 CAR § 9-118(b)(13)(B), the rule currently reads, “unleased released by the receiver”. Should the term “unleased” instead be “unless”? **RESPONSE:** Yes, it should be “unless”. [The agency made this change in the rule draft.]

The proposed effective date for this rule is February 1, 2026.

FINANCIAL IMPACT: The department indicated the rule has no financial impact.

However, in response to Question 5 on the financial impact statement, which asks, “What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain and how they are affected.”, the department answered as follows: “The potential cost to private insurance companies subject to the Insurance Holding Company Regulatory Act is not known, but it is not expected to be significant.”

LEGAL AUTHORIZATION: Arkansas Code § 23-61-108(a) provides that the State Insurance Department “may make reasonable rules necessary for or as an aid to the effectuation of any provision of the Arkansas Insurance Code.” Arkansas Code § 23-61-108(e) provides that the Insurance Commissioner “is authorized and empowered to adopt rules for the purpose of modifying, amending, or revising any publication promulgated by the National Association of Insurance Commissioners or other authors, or any published amendments, modifications, or revisions to any such publications if the commissioner determines that such an action is in the best interest of the public.” Arkansas Code § 23-61-518 provides that the commissioner, “may issue such rules and orders as shall be necessary to carry out the provisions of” the Insurance Holding Company Regulatory Act, Arkansas Code § 23-63-501 et seq.

The amendments to this rule implement Acts 2025, No. 261, which was sponsored by Senator Justin Boyd. Act 261 amended the Insurance Holding Company Regulatory Act.

2. State Board of Election Commissioners (Richard Chris Madison)

- a. Rules on Poll Watchers, Vote Challenges, and Provisional Voting, 7 CAR pt. 91

DESCRIPTION: The State Board amends the Rules on Poll Watchers, Vote Challenges, and Provisional Voting to include the actions that a poll watcher may and may not take while observing polling sites. This

Amendment includes the action a poll watcher may or may not do and defining the purpose of a poll watcher. With this amendment the rule expounds upon the specifics of what a Poll Watcher may do, such as: stand close enough to observe any and all election operations in the poll, move around the poll to observe the different operations of the poll, and challenge an ineligible voter.

Additionally, this amendment outlines two specific places that a poll watcher may not be: (1) within six feet of any voter in the process of voting; and (2) be in a position from which the poll watcher can see how a voter is marking his or her ballot. Finally, this amendment outlines what the purpose of the poll watchers is to be. This purpose is detailed as establishing the poll watchers' primary duty to observe the check-in process of voters and to challenge any inappropriate voter who is observed, states that the poll watchers are allowed to observe the entire operation of the poll and alert the poll supervisor and State Board of Election Commissioners regarding protentional violations of election procedures, and emphatically states that a poll watcher is not present to police the activity of poll workers.

PUBLIC COMMENT: There was no public hearing held for this rule. The public comment period expired on December 1, 2025. The board indicated it received no public comments.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following question:

QUESTION: Your public notice says the “amendments reflect changes enacted during the 95th General Assembly”, but on the Questionnaire you indicate that the rules are not required based on any state statute. Are these changes the result of an Act or Acts from the 95th General Assembly?

RESPONSE: The amendments were NOT based on acts of the 95th assembly.

The proposed effective date for this rule is February 1, 2026.

FINANCIAL IMPACT: The board indicated this rule has no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 7-4-101(f)(5) provides that the State Board of Election Commissioners may “[f]ormulate, adopt, and promulgate all necessary rules to assure even and consistent application of voter registration laws and fair and orderly election procedures”. Arkansas Code § 7-4-101(f)(17)(B) provides that the board may “[a]dopt and promulgate rules to establish procedures for training poll watchers.”

- b. Appointment of Certified Election Monitors, 7 CAR pt. 51

DESCRIPTION: The State Board amends the Rule for Appointment of Certified Election Monitors to modify the duties of election monitors, the compensation for certified election monitors, and detail the authority of

the certified election monitors. This Amendment clarifies that State Board appointed and Certified Election Monitors have the authority to access all areas of the polling location or ballot counting location, the records located at any election site, and to gather any information the Certified Election Monitor finds necessary to complete the certified election monitor's report. Further, this amendment adjusts the pay for Certified Election Monitors so that training and report preparation is compensated at \$100 per day. Further the amendment increases compensation for monitoring duties from \$100 per day, as has been the rate since 2015, to \$300 per day for on-site election activity monitoring at polling sites, central count locations, or other places election activities are being conducted. Further, this Amendment delineates the specific duties of a Certified Election Monitor among training, duties during the election period at polling and counting locations, and the duties of the Certified Election Monitor following the election.

PUBLIC COMMENT: There was no public hearing held for this rule. The public comment period expired on December 1, 2025. The board indicated it received no public comments.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following question:

QUESTION: Your public notice says the “amendments reflect changes enacted during the 95th General Assembly”, but on the Questionnaire you indicate that the rules are not required based on any state statute. Are these changes the result of an Act or Acts from the 95th General Assembly?

RESPONSE: The amendments were NOT based on acts of the 95th assembly.

The proposed effective date for this rule is February 1, 2026.

FINANCIAL IMPACT: The board indicated this rule has a financial impact of \$3,000 for the current fiscal year and \$9,000 for next fiscal year.

The board provided the following narrative:

Assignment of Election Monitors to polling locations, dates, and number of assignments is determined by the State Board. During the 2024 general election cycle, the agency spent approximately \$3,000 on monitor stipends for election monitoring at polling locations and central counting locations. With an increase in the per day stipend from \$100 to \$300 the costs for in-person monitoring by state monitors will be 3 times what it has been since 2015.

However, the actual impact of this cost can be managed, as may be necessary, through assignment and dates management practices by the Board. Stated differently, while the daily cost increases with this amendment, the assignment of monitors can be controlled by the agency through limiting the dates and locations a monitor is

assigned as budgetary restraints may affect the agency. Lastly, funding for monitors is from the Election Fund, not operations.

LEGAL AUTHORIZATION: Arkansas Code § 7-4-101(f)(5) provides that the State Board of Election Commissioners may “[f]ormulate, adopt, and promulgate all necessary rules to assure even and consistent application of voter registration laws and fair and orderly election procedures”. Arkansas Code § 7-4-101(f)(2) provides that the board may “[c]onduct statewide training for election officers and county election commissioners”, and Arkansas Code § 7-4-101(f)(3) provides that the board may “[a]dopt all necessary rules regarding training referred to in subdivision (f)(2) of this section and develop procedures for monitoring attendance”. Arkansas Code § 7-4-101(f)(6) provides that the board “may allow for reasonable compensation for election monitors”.

3. Treasurer of State, Arkansas Financial Education Commission (Michael Harry)

- a. Rules of the Arkansas Financial Education Commission, 6 CAR pt. 570

DESCRIPTION: This rule implements changes to the makeup of the Board of Directors by Act 938 of 2025 that eliminated positions identified as diversity, equity, and inclusion requirements.

PUBLIC COMMENT: A public hearing was held on December 5, 2025, and the public comment period expired on December 7, 2025. No public comments were received on this rule.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The agency indicated this rule has no financial impact.

LEGAL AUTHORIZATION: The Board of Directors of the Arkansas Financial Education Commission shall adopt rules to implement and administer the Arkansas Code subchapter known as the Arkansas Financial Education Commission, Arkansas Code § 6-1-701 et seq. *See* Arkansas Code § 6-1-706.

This rule implements Acts 2025, No. 938, sponsored by Representative Karilyn Brown, which removed racial and gender quotas and qualifications of membership for certain boards, committees, councils, and commissions.

C. Agency Requests to Be Excluded from Reporting Requirements of Act 595 of 2021

- 1. Department of Education, Division of Career and Technical Education (Act 867 of 2023) (Courtney Salas-Ford)**
- 2. Department of Human Services (Acts 567, 568, 967, 1025 of 2025) (Secretary Janet Mann, Elizabeth Pitman)**

D. Evaluation of Rule Review Group 3 Agencies Pursuant to Act 781 of 2017 and Act 65 of 2021

1. Department of Education, Division of Higher Education (Courtney Salas-Ford)

E. Agency Updates on the Status of Outstanding Rulemaking from the 2023 Regular Session Pursuant to Act 595 of 2021

1. Department of Commerce, Arkansas Economic Development Commission (Brian Black, Allison Hatfield)

Rules Outstanding as of January 1, 2026, as Reported and Updated by the Agency

- Consolidated Incentive Act Rules (Act 834 of 2023)
 - The Arkansas Economic Development Commission has determined that rules under the Consolidated Incentive Act are not necessary to accomplish the goals of Act 834 of 2023 and is currently working to repeal the existing Consolidated Incentive Act rules. Under Ark. Code Ann. § 15-4-2710, rules are allowed but not required under the Act. The existing rules are unclear and largely restate the statute, serving as a potential barrier to businesses looking to utilize the Act's incentives. The public comment period has ended, and AEDC will be requesting that the rule repeal be placed on the Committee's agenda for consideration.

2. Department of Corrections, Secretary of Corrections (Wade Hodge)

Rules Outstanding as of January 1, 2026, as Reported and Updated by the Agency

- Visitation (Act 659, § 112 of 2023)
 - This rule will be promulgated by the Secretary of Corrections. The rule has been reviewed and approved by the Secretary and the executive. On December 19, 2025, the rule received final approval from the Board of Corrections to be set for public comment.

3. Department of Education (Courtney Salas-Ford)

Rules Outstanding as of January 1, 2026, as Reported and Updated by the Agency

Arkansas State Library

- Rules Governing the Standards for State Aid to Public Libraries (Act 566, § 11 of 2023)
 - Rulemaking regarding Act 566 of 2023 was temporarily suspended due to the passage of Act 903 of 2025. Rulemaking will resume now that a new slate of library board members has been appointed.

Division of Career and Technical Education

- Rules Governing the Approval of Computer Science-Related Career and Technical Education Courses (Act 654, § 4 of 2023)
 - This rule has been redrafted in compliance with the Code of Arkansas Rules. It is anticipated that the final rule will be submitted to ALC for review in March.
- Rules Governing the Vocational Start-Up Grant Program (Act 867, § 7 of 2023)
 - The ADE is requesting to be excused from rule making regarding this program. This request is to be heard in the January ALC meeting.

Division of Elementary and Secondary Education

- Rules Governing School District Waivers (Act 347, § 1 of 2023)
 - The agency is redrafting this rule due to the enactment of Act 304 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.
- Rules Governing Grading and Course Credit (Act 654, §§ 2, 4 of 2023)
 - This rule was approved by the State Board of Education to be released for public comment; however, the agency is redrafting this rule due to the enactment of Act 341 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

State Board of Education

- Rules Governing the Course Choice Program (Act 237, § 20 of 2023)
 - The agency is redrafting this rule due to the enactment of Act 730 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.
- Rules Governing Public Charter Schools (Act 237, § 49 of 2023)
 - The agency is redrafting this rule due to the enactment of Act 800 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

Division of Higher Education

- Rules Governing Universal Academic Credit (Act 237, § 54 of 2023)
 - The agency is redrafting this rule due to the enactment of Act 341 of 2025. The rule will be a top priority for the current round of

rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

- F. Agency Monthly Written Updates Pursuant to Act 595 of 2021 Concerning Rulemaking from the 2025 Regular Session**
- G. Adjournment**