

Exhibit E

Report on the Title 19 Recodification Working
Group

Report to the Arkansas Code Revision Commission on the Title 19 Recodification Working Group

I. Introduction

This report provides an overview of the Title 19 Recodification Working Group and the revisions to the proposed draft recodification of Title 19 approved by the working group. At the December 15, 2022, meeting of the Arkansas Code Revision Commission, the commission asked staff of the Bureau of Legislative Research to proceed with forming a working group in order to review a proposed draft recodification of Title 19 of the Arkansas Code that had been prepared by staff of the bureau. The proposed draft was a nonsubstantive, technical recodification of Title 19 that contained technical changes to the language of Title 19, including reorganization of material within Title 19 and transfers of material from Title 19 to other titles of the Arkansas Code.

The purpose of the working group would be to get input on the proposed draft from state agencies, constitutional officers, and the Arkansas Bar Association. The working group would also be tasked with going through the proposed draft and making revisions and recommendations for consideration by the commission. That work has now been completed, and the proposed draft as approved by the working group is being presented to the commission.

II. Membership of the working group

The working group comprised 11 members representing the following entities: (1) Arkansas Code Revision Commission; (2) Governor's office; (3) Attorney General's office; (4) Treasurer of State's office; (5) Auditor of State's office; (6) Arkansas Legislative Audit; (7) Department of Finance and Administration; (8) Department of Transformation and Shared Services; (9) Arkansas State Claims Commission; (10) Arkansas Ethics Commission; and (11) Arkansas Bar Association. The working group elected Mr. Travis Fowler of the Auditor of State's office as chair. The commission representative on the working group was Ms. Camille Bennett. Staff of the bureau served as staff for the working group. The working group held monthly meetings from October 2023 through August 2024.

III. Review process of the working group

At the working group's initial meeting, the working group decided to form subgroups based on the existing 12 chapters of Title 19. Members of the working group joined subgroups based on the members' areas of expertise and interest, and the subgroups were assisted in their work by staff of the bureau. The subgroups held monthly meetings in which they would conduct a section-by-section review of the material in the proposed draft assigned to the subgroup and make a recommendation to the working group on whether to approve, approve as modified, or not approve the material. The reviews by the subgroups were for purposes of ensuring all proposed changes were technical in nature. If a subgroup did not find any issues with the material it reviewed, the subgroup would recommend approval of the material. If a subgroup identified an apparent substantive change in the material it reviewed, the subgroup would recommend either a modification or disapproval of the apparent substantive change.

The subgroups also reviewed any proposed transfers of material from Title 19 to other titles of the Arkansas Code and the reorganization of sections, subsections, and subdivisions within the material assigned to the subgroup. If a subgroup did not find any issues with the transfers or reorganizations it reviewed, the subgroup would recommend approval of the transfer or reorganization. If a subgroup identified a problem with a transfer or reorganization, the subgroup would recommend either a modification or disapproval of the transfer or reorganization.

In addition to reviewing the technical changes, transfers, and reorganizations in the proposed draft, the subgroups made their own recommendations concerning technical changes and reorganizations of the material assigned to the subgroup. These recommendations would arise when the subgroup identified a technical error in the material assigned to the subgroup or when the subgroup believed material could be better organized.

At the end of the month the working group would meet and review the recommendations of the subgroups and take action by approving, rejecting, or re-referring the recommendations. Recommendations that were approved by the working group were incorporated into the proposed draft. The recommendations approved by

the working group included technical changes to the language of Title 19, a structural reorganization of Title 19, transfers of material from Title 19 to other titles of the Arkansas Code, and the reporting to the commission of substantive issues in Title 19 identified by the subgroups. Each of these recommendations will be discussed below.

IV. Technical changes to the language of Title 19 approved by the working group

The working group approved technical changes throughout Title 19 in the proposed draft as recommended by the subgroups. These technical changes include corrections of grammar, punctuation, word usage, references, and Code style, as well as reorganization of material within Title 19. The working group also approved all recommended modifications or disapprovals of apparent substantive changes identified by the subgroups. The technical changes approved by the working group are indicated with mark-up throughout the proposed draft and summarized in codifier's notes following each section in the proposed draft.

V. Structural reorganization of Title 19 approved by the working group

The working group approved a structural reorganization of Title 19. One of the primary reasons bureau staff had proposed recodifying Title 19 was due to structural deficiencies in the title. Title 19 was originally codified without subtitles, which limited the ability to keep like material together, and subchapters dealing with trust funds, miscellaneous funds, and special revenue funds had run out of section numbers, causing these funds to be codified in separate, nonconsecutive subchapters. Bureau staff developed a structural plan for Title 19 to address these issues and build in flexibility for future growth in the title. The structural reorganization accomplished this by adding subtitles to Title 19, moving funds to chapters instead of subchapters, and reserving chapters at the end of each subtitle. The proposed structural reorganization of Title 19 that was approved by the working group is attached to the end of this report as Appendix A.

VI. Transfers of material from Title 19 approved by the working group

The working group approved several transfers of material from Title 19 to other titles of the Arkansas Code. In addition to the structural problems in Title 19 discussed in Part V of this report, another primary reason bureau staff had proposed recodifying Title 19 was that there was a lot of material in Title 19 that fit better within other titles of the Arkansas Code. As an example, the working group approved transferring the workers' compensation provisions of Chapter 10 to Title 11: Labor and Industrial Relations and the Arkansas State Claims Commission provisions of Chapter 10 to Title 25: State Government. This transfer and the other transfers approved by the working group are attached to the end of this report as Appendix B.

VII. Substantive issues identified by the working group

As the subgroups conducted their review of the material assigned to them, they identified several potential substantive issues that they recommended be brought to the attention of the Arkansas Code Revision Commission. The working group approved these recommendations, and these substantive issues, along with a brief summary, are attached to the end of this report as Appendix C.

VIII. Conclusion

The proposed draft recodification of Title 19 of the Arkansas Code now reflects both the work of the working group and the work of bureau staff. The important functions of vetting of the proposed draft to ensure only technical changes were made and getting input on the proposed draft from state agencies, constitutional officers, and the Arkansas Bar Association was accomplished by the working group and its review process. The next step in the process of the recodification of Title 19 is review of the proposed draft by the Arkansas Code Revision Commission. Further action on the proposed draft is up to the commission and could include approval to introduce the proposed draft as a bill in the 2025 regular session. If the commission chooses to submit the proposed draft as a bill in the 2025 regular session and it is enacted into law, it would be the first legislative recodification of a title of the Arkansas Code in its nearly 40-year history.

Appendix A. Proposed Structural Reorganization of Title 19

Title 19. Public Finance

Subtitle 1. General Provisions

- Chapter 1 — General Provisions
- Chapter 2 — State Revenues — Receipts And Expenditures Generally
- Chapter 3 — State Treasury Management
- Chapter 4 — State Accounting And Budgetary Procedures
- Chapter 5 — Depositories for Public Funds
- Chapter 6 — Public Obligations
- Chapter 7 — Federal Funds
- Chapters 8 — 19 [Reserved.]

Subtitle 2. Revenue Stabilization Law

- Chapter 20 — General Provisions
- Chapter 21 — Funds and Accounts Generally
- Chapter 22 — General Revenue Operating Funds and Fund Accounts
- Chapter 23 — Distribution of General Revenues
- Chapter 24 — Budget Stabilization Trust Fund
- Chapter 25 — Municipal and County Aid Funds
- Chapter 26 — Trust Funds
- Chapter 27 — Miscellaneous Funds
- Chapters 28 — 39 [Reserved.]

Subtitle 3. Revenue Classification Law

- Chapter 40 — General Provisions
- Chapter 41 — General Revenues
- Chapter 42 — Special Revenues
- Chapter 43 — Special Revenue Funds
- Chapter 44 — Trust Fund Income
- Chapter 45 — Federal Grants, Aids, and Reimbursements
- Chapter 46 — Nonrevenue Receipts
- Chapters 47 — 59 [Reserved.]

Subtitle 4. Purchasing and Contracts

- Chapter 60 – General Provisions
- Chapter 61 – Arkansas Procurement Law
- Chapter 62 – Bidding – State Industry Priority
- Chapter 63 – Federal Government Surplus Property
- Chapter 64 – Ethics
- Chapter 65 – Procurement of Professional Services
- Chapter 66 – Purchases of Work Center Products and Services
- Chapter 67 – Professional and Consultant Services Contracts
- Chapter 68 – Guaranteed Energy Cost Savings Act
- Chapter 69 – Partial Equity Ownership Agreement Executed by a State Retirement Plan
- Chapter 70 – Construction Manager-General Contractor Method of Procurement Pilot Program
- Chapters 71 – 89 [Reserved.]

Subtitle 5. Miscellaneous Provisions

- Chapter 90 — Tobacco Settlement Proceeds Act

Appendix B. Proposed Transfers of Material from Title 19

1. Chapter 1, Subchapter 3: Fiscal impact statements – Title 10: General Assembly
2. Chapter 5, Subchapter 7: Reimbursement of unemployment compensation benefits – Title 11: Labor and Industrial Relations
3. Chapter 5, Subchapter 8: Reimbursement of workers' compensation benefits – Title 11: Labor and Industrial Relations
4. Chapter 7, Subchapter 2: Office of State-Federal Relations – Title 25: State Government
5. Chapter 7, Subchapter 7: Title XX Social Security Funds – Title 20: Public Health
6. Chapter 7, Subchapter 9: Resettlement or Rural Rehabilitation Projects – Title 14: Local Government
7. Chapter 8, Subchapter 3: Local Government Joint Investment Trust Act – Title 14: Local Government
8. Chapter 11: Claims Against the State – Title 11: Labor and Industrial Relations (workers' compensation) and Title 25: State Government (Arkansas State Claims Commission)

Appendix C. Substantive Issues to be Reported to the Arkansas Code Revision Commission by the Title 19 Recodification Working Group

1. There are terminology problems with the usage of the terms “agency” and “state agency” throughout Chapter 4. There is a quasi-definition of “agency” for the chapter, but the chapter often uses the term “state agency”.
2. Section 19-5-985(b)(1)(B)-(F) is missing “there to be used for” language. This language is ordinarily included in the creation of funds in Chapter 5, Subchapter 9.
3. The language of § 19-4-1405(a)(1)(A) is unclear and difficult to interpret, especially since the term "quote bid" as used in subdivision (a)(1)(A) is undefined and there is no easily identifiable explanation as to its meaning from the context.
4. In § 19-5-1149, the working group recommended that the language "The Secretary of State may promulgate rules necessary to implement this section", which is currently noted in the Code, not be included in the section because it was enacted under a “DO NOT CODIFY” header. However, the language appears to be general and permanent, which is the standard for codification.
5. In § 19-11-233(a), the reference to "the head of a procurement agency" is ambiguous and may be obsolete because the State Procurement Director is presently the only "head of a procurement agency".
6. In § 19-11-241(a), the language of limitation "As used in this section" should not be added to the section because this appears to be a substantive change. The defined term "specification" is used outside the Code section. Additionally, in subsection (c), the phrase "under this section" should not be added as this appears to be a substantive change similar to the issue of adding language of limitation to subsection (a).