

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

A Bill

SENATE BILL 491

5 By: Senator K. Hammer
6 By: Representative Achor
7

For An Act To Be Entitled

9 AN ACT TO REQUIRE A VENDOR THAT CONTRACTS WITH THE
10 OFFICE OF STATE PROCUREMENT FOR SERVICES FOR THE
11 EMPLOYEE BENEFITS DIVISION TO SUBMIT DATA FOR
12 VERIFICATION BY AN INDEPENDENT AUDITOR; TO IMPOSE A
13 CIVIL PENALTY ON A VENDOR THAT PROVIDES INACCURATE
14 DATA; TO DECLARE AN EMERGENCY; AND FOR OTHER
15 PURPOSES.
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Subtitle

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19 TO REQUIRE A VENDOR THAT CONTRACTS WITH
20 THE OFFICE OF STATE PROCUREMENT FOR
21 SERVICES FOR THE EMPLOYEE BENEFITS
22 DIVISION TO SUBMIT DATA FOR VERIFICATION
23 BY AN INDEPENDENT AUDITOR; TO DECLARE AN
24 EMERGENCY.
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 21-5-404(10), concerning the powers,
29 functions, and duties of the State Board of Finance concerning contracts with
30 qualified vendors, is amended to read as follows:

31 (10)(A) To direct the office to contract with qualified vendors,
32 as defined by the board, offering the plan options under the program as
33 prescribed by the board without regard to § 19-11-228 or other statutes
34 requiring competitive bidding.

35 (B) Each contract shall:

36 (i) be ~~be~~ for a term of at least one (1) year but



1 may be made automatically renewable from term to term in the absence of
2 notice of termination by either party; and

3 (ii) Require a qualified vendor to agree to
4 verification of the vendor's data under § 21-5-425; and
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6 SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended
7 to add an additional section to read as follows:

8 21-5-425. Verification of data of vendor – Independent audit process –
9 Civil penalty – Rules.

10 (a) A vendor that contracts with the Office of State Procurement under
11 this subchapter and a fiscal impact is required shall agree to verify the
12 accuracy of the data the vendor provides to the state.

13 (b) The office shall not contract with a vendor for services for the
14 Employee Benefits Division that does not agree to submit to an independent
15 audit process to verify the accuracy of the vendor's data.

16 (c) The Director of the Employee Benefits Division:

17 (1) Shall develop an independent audit process to verify the
18 accuracy of the data a vendor provides to the state; and

19 (2) May request a vendor submit to an independent audit process.

20 (d) A vendor that is found through the independent audit process under
21 subdivision (c)(2) of this section to have provided inaccurate data to the
22 state is subject to:

23 (1) A civil penalty of:

24 (A) Five hundred dollars (\$500) for a first violation; and

25 (B) One thousand dollars (\$1,000) for each subsequent
26 violation; and

27 (2) Loss of licensure or authorization to operate in this state.

28 (e) The director shall promulgate rules to implement this section.
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30 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
31 General Assembly of the State of Arkansas that using accurate data is
32 indispensable when considering the fiscal impact of legislation for this
33 state; that vendors may not provide accurate data and the state needs an
34 independent audit process to enable the state to verify the accuracy of
35 vendor data; and that this act is immediately necessary because it is vital
36 to know the fiscal impact of the passage of legislation to protect the

1 residents of this state. Therefore, an emergency is declared to exist, and
2 this act being immediately necessary for the preservation of the public
3 peace, health, and safety shall become effective on:

4 (1) The date of its approval by the Governor;

5 (2) If the bill is neither approved nor vetoed by the Governor,
6 the expiration of the period of time during which the Governor may veto the
7 bill; or

8 (3) If the bill is vetoed by the Governor and the veto is
9 overridden, the date the last house overrides the veto.

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