

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003

# A Bill

SENATE BILL 804

4  
5 By: Senators Steele, Wilkins  
6 By: Representative Elliott

## For An Act To Be Entitled

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10 THE ARKANSAS ECONOMIC DEVELOPMENT EXPANSION ACT.

### Subtitle

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13 THE ARKANSAS ECONOMIC DEVELOPMENT  
14 EXPANSION ACT.

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

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19 SECTION 1. Arkansas Code Title 20, Chapter 10, is amended to add an  
20 additional subchapter to read as follows:

21 25-10-401. Findings - Purpose.

22 (a) The General Assembly finds:

23 (1) To the extent minority owned businesses are given fair  
24 opportunities to compete, all Arkansans benefit;

25 (2) During 2002, the State of Arkansas spent nine hundred  
26 million four hundred thousand dollars (\$900,400,000) procuring goods and  
27 services;

28 (3) Although the state possesses over seven thousand (7,000)  
29 minority owned businesses, less than three tenths of one percent (.03%) of  
30 state expenditures on goods and services was spent with minority owned  
31 businesses in 2002;

32 (4) Small and minority owned businesses employ forty-eight and  
33 nine tenths percent (48.9%) of the state's total employment;

34 (5) Seventy-two percent (72%) of all current jobs in the Delta  
35 Region of Arkansas, Louisiana, and Mississippi are provided through small and  
36 minority owned businesses;



1           (6) An increase of four thousand (4,000) jobs in small, minority  
 2 owned, and medium sized businesses would radiate through the state to result  
 3 in the creation of forty-eight thousand (48,000) new jobs;

4           (7) Expanding the profitability and spending power of these  
 5 businesses will allow them to provide employment opportunities and to  
 6 increase economic growth and development within Arkansas communities;

7           (8) Expansion of economic opportunity will reduce unemployment  
 8 and the need for state-supported social welfare programs, while increasing  
 9 the state tax base and the appeal to minority owned businesses from other  
 10 businesses within their industry for raw materials and production support;  
 11 and

12           (9) Increased economic output and employment by minority owned  
 13 businesses will have a positive rippling impact throughout the state.

14           (b) This subchapter is intended to expand economic opportunities for  
 15 Arkansas' minority communities, but is not intended to establish any quota  
 16 system or program.

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 18           25-10-402. Definition.

19           For purposes of this subchapter:

20           (1) "Minority" means the same as in § 1-2-503; and

21           (2) "State agency" means any office, department, board,  
 22 commission, bureau, division, public corporation, agency, or instrumentality  
 23 of this state.

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 25           25-10-403. Agency contracting - Diversity.

26           (a) State agencies shall include in all requests for proposals and  
 27 requests for qualifications, language that encourages minority participation  
 28 in each request for proposals and request for qualifications issued by the  
 29 agency.

30           (b)(1) State agency requests for proposals and requests for  
 31 qualifications shall take into consideration minority inclusion in the  
 32 proposed project.

33           (2) Requests for proposals and requests for qualifications shall  
 34 provide that an applicant unable to include minority owned businesses may  
 35 explain the circumstances preventing minority inclusion.

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25-10-404. Data recording and tracking.

(a)(1) The Director of the Office of State Procurement of the Department of Finance and Administration shall track data regarding minority participation in each state agency request for proposal and request for qualifications that exceeds twenty-five thousand dollars (\$25,000).

(2) The data shall include, but not be limited to, information regarding:

(A) The dollar amounts for each contract awarded to a minority owned business;

(B) The total dollar amount spent on contracts by each state agency;

(C) The number of advertisements for each request for proposal;

(D) The method of publication of each advertisement;

(C) The number and percentage of minority owned business applications for each request for proposal and request for qualifications;

(E) The number and percentage of minority owned businesses awarded contracts by the agency;

(F) The number and percentage of minority owned business applicants not awarded contracts by the agency; and

(G) The reasons for both making and denying awards to minority owned businesses.

(b) The Director of the Office of State Procurement shall report the data required under subsection (a) of this section semiannually to the Governor and to the cochairs of the Legislative Council and to the Legislative Joint Audit Committee.

(c)(1) Each state agency shall include in its budget report to the Joint Budget Committee of the Legislative Council a listing of all contracts in amounts exceeding twenty-five thousand dollars (\$25,000) awarded to minority owned businesses.

(2) The vice-president or vice-chancellor for finance of each state college and university shall include in his or her budget report to the Joint Budget Committee of the Legislative Council a listing of all contracts in amounts exceeding twenty-five thousand dollars (\$25,000) awarded to minority owned businesses.

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SECTION 2. Arkansas Code § 15-4-303 is amended to read as follows:  
15-4-303. Advisory Council.

(a) The Division of Minority Business Enterprise of the Department of Economic Development shall be represented by a statewide Minority Business Advisory Council ~~to serve~~ under the management of the division.

(b) The council shall consist of seven (7) members.

(c)(1) The Governor shall appoint three (3) members of the council with the advice and consent of the Senate.

(2) The President Pro Tempore of the Senate shall appoint two (2) members of the council.

(3) The Speaker of the House of Representatives shall appoint two (2) members of the council.

(d) Except as otherwise provided by law, members of the council shall serve without compensation.

(e)(1) The term of office of the council shall be at the pleasure of the ~~Governor~~ appointing officer.

(2) On the effective date of this subdivision, the terms of present members of the council shall expire.