

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 470

4
5 By: Senator Caldwell

For An Act To Be Entitled

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7
8 AN ACT TO PROHIBIT THE ENGAGEMENT OF AUDITORS AND
9 APPRAISERS ON A CONTINGENCY FEE BASIS; AND FOR OTHER
10 PURPOSES.

Subtitle

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14 TO PROHIBIT THE ENGAGEMENT OF AUDITORS
15 AND APPRAISERS ON A CONTINGENCY FEE
16 BASIS.

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

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21 SECTION 1. Arkansas Code Title 19, Chapter 11, is amended to add an
22 additional subchapter to read as follows:

23 Subchapter 14 – Contingency Fees for Audits and Appraisals

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25 19-11-1401. Definitions.

26 As used in this subchapter:

27 (1) “Person” means an individual, partnership, limited liability
28 company, limited liability partnership, corporation, estate, trust,
29 fiduciary, or any other legal entity;

30 (2) “Political subdivision” means:

31 (A) A county, municipality, school district, improvement
32 district, or other county or municipal corporation; and

33 (B) An official, office, employee, or instrumentality of
34 an entity described in subdivision (2)(A) of this section; and

35 (3) “State agency” means an agency, institution, authority,
36 department, board, commission, bureau, council, or other agency of the state



1 supported by the appropriation of state or federal funds, including the
2 offices of the executive department established under Arkansas Constitution,
3 Article 6.

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5 19-11-1402. Prohibition of contingency fees for audits and appraisals.

6 A state agency or political subdivision shall not:

7 (1) Employ an auditor or appraiser on a contingency fee basis;

8 or

9 (2) Enter into a contingency fee contract to procure services
10 relating to the:

11 (A) Auditing of a transaction, privilege, tax, or person

12 for:

13 (i) Taxation purposes; or

14 (ii) Purposes of determining the person's compliance
15 with one (1) or more laws; or

16 (B) Appraisal of a person's property for:

17 (i) Taxation purposes; or

18 (ii) Purposes of determining the person's compliance
19 with one (1) or more laws.

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