

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1931

5 By: Representative M. Gray
6

For An Act To Be Entitled

8 AN ACT CONCERNING BUSINESS CLOSURE ORDERS UNDER THE
9 ARKANSAS TAX PROCEDURE ACT; TO AMEND PROCUREMENT LAWS
10 TO PROHIBIT CONTRACTS WITH A BUSINESS THAT IS SUBJECT
11 TO A BUSINESS CLOSURE ORDER; AND FOR OTHER PURPOSES.
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Subtitle

14 TO AMEND PROCUREMENT LAWS TO PROHIBIT
15 CONTRACTS WITH A BUSINESS THAT IS SUBJECT
16 TO A BUSINESS CLOSURE ORDER UNDER THE
17 ARKANSAS TAX PROCEDURE ACT.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 19, Chapter 11, Subchapter 2, is
24 amended to add an additional section to read as follows:

25 19-11-273. Cancellation of contract on entry of final business closure
26 order.

27 (a) As used in this subchapter, "final business closure order" means a
28 business closure order for which a contractor has either:

29 (1) Waived further administrative review under § 26-18-1001 et
30 seq.; or

31 (2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

32 (b) The Revenue Division of the Department of Finance and
33 Administration shall provide to the Office of State Procurement all final
34 business closure orders entered into against a contractor.

35 (c) Upon receipt of a final business closure order, the Office of
36 State Procurement shall, as soon as reasonably practicable:



1 (1) Notify each state agency with which the contractor has a
 2 contract that the:

3 (A) Contractor is subject to a final business closure
 4 order; and

5 (B) Provision of any goods or services, or both, under a
 6 contract with the contractor that is subject to a final business closure
 7 order shall cease as soon as reasonably practicable; and

8 (2) Notify all state agencies that the contractor that is
 9 subject to a final business closure order shall not be awarded or maintain a
 10 contract with a state agency unless the Office of State Procurement provides
 11 notice under subsection (d) of this section.

12 (d) Upon receipt of information that a contractor has resolved a
 13 business closure, the Office of State Procurement shall notify all state
 14 agencies, as soon as reasonably practicable, that:

15 (1) Any unexpired contracts with the contractor may continue if
 16 the contract was not terminated, cancelled, suspended, or discontinued; and

17 (2) The contractor may be awarded or maintain a contract with a
 18 state agency.

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 20 SECTION 2. Arkansas Code Title 19, Chapter 11, Subchapter 10, is
 21 amended to add an additional section to read as follows:

22 19-11-1015. Cancellation of contract on entry of final business
 23 closure order.

24 (a) As used in this subchapter, "final business closure order" means a
 25 business closure order for which a contractor has either:

26 (1) Waived further administrative review under § 26-18-1001 et
 27 seq.; or

28 (2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

29 (b) The Revenue Division of the Department of Finance and
 30 Administration shall provide to the Office of State Procurement all final
 31 business closure orders entered into against a contractor.

32 (c) Upon receipt of a final business closure order, the Office of
 33 State Procurement shall, as soon as reasonably practicable:

34 (1) Notify each state agency with which the contractor has a
 35 contract that the:

36 (A) Contractor is subject to a final business closure

1 order; and

2 (B) Provision of any goods or services, or both, under a
 3 contract with the contractor that is subject to a final business closure
 4 order shall cease as soon as reasonably practicable; and

5 (2) Notify all state agencies that the contractor that is
 6 subject to a final business closure order shall not be awarded or maintain a
 7 contract with a state agency unless the Office of State Procurement provides
 8 notice under subsection (d) of this section.

9 (d) Upon receipt of information that a contractor has resolved a
 10 business closure, the Office of State Procurement shall notify all state
 11 agencies, as soon as reasonably practicable, that:

12 (1) Any unexpired contracts with the contractor may continue if
 13 the contract was not terminated, cancelled, suspended, or discontinued; and

14 (2) The contractor may be awarded or maintain a contract with a
 15 state agency.

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 17 SECTION 3. Arkansas Code § 26-18-303(b), concerning exemptions from
 18 the confidentiality requirement for tax records, is amended to add an
 19 additional subdivision to read as follows:

20 (26) Disclosure of information related to a business closure
 21 order under § 26-18-1001 et seq. to the Office of State Procurement for the
 22 purpose of carrying out §§ 19-11-273 and 19-11-1015.

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 24 SECTION 4. EFFECTIVE DATE. Sections 1-3 of this act are effective on
 25 January 1, 2020.