

**REPORT  
OF THE  
COMMITTEE ON POLICY MAKING  
OF THE  
ARKANSAS LEGISLATIVE COUNCIL**

**April 20, 2018**

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Senator Linda Chesterfield, Co-Chair	Representative George B. McGill, Co-Chair
Senator Cecile Bledsoe	Representative, DeAnn Vaught, Vice Co-Chair
Senator Jonathan Dismang	Representative Richard Womack
Senator David Sanders	Representative Joe Jett
Senator Bryan King	Representative David Whitaker
Senator Scott Flippo	Representative Les Eaves
Senator Will Bond	Representative Jeremy Gillam
Senator Bill Sample, ex officio	Representative Joe Farrer
Senator Terry Rice, ex officio	Representative Jim Dotson, ex officio
	Representative Jon S. Eubanks, ex officio

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Dear Co-Chairs:

The Policy Making Subcommittee of the Arkansas Legislative Council met Monday, April 16, 2018 at 12:00 noon in Room 207 of the State Capitol Building, Little Rock, Arkansas. Senator Linda Chesterfield called the meeting to order and saw a quorum of members present. The members present are listed on the sign-in sheet.

Request for Additional Allocation of Funds

Senator Alan Clark, Co-Chair of the Water Provider Legislative Task Force, was recognized to explain the request for an additional allocation of committee funds for the Water Provider Legislative Task Force. Senator Clark explained that the expenditure per meeting is an average of \$4,000.00 for in-state per diem, mileage, and expenses. Senator Clark estimated that an additional \$25,000.00 is needed for meetings scheduled through the remainder of the fiscal year 2018, which ends on June 30, 2018. Senator Clark responded to questions from the subcommittee.

Following discussion, Senator Cecile Bledsoe moved that the Policy-Making Subcommittee recommend the approval of an additional allocation of committee funds for the Water Provider Legislative Task Force in the amount of \$25,000.00. The motion was seconded and passed by voice vote.

Contract for Professional Services

Representative Lane Jean, Co-Chair of the Arkansas Tax Reform and Relief Legislative Task Force, was recognized to explain the request to approve the professional services contract between the Bureau of Legislative Research and Regional Economic Models, Inc. to provide for dynamic scoring of tax proposals.

Representative Jean explained that the contract includes the delivery of sixteen (16) Dynamic Fiscal Notes, as well as a temporary Tax-PI license for software to analyze the Arkansas Tax Code. Representative Jean responded to questions from the subcommittee. Richard Wilson, Assistant Director of the Research Services Division of the Bureau of Legislative Research, was also recognized and responded to questions concerning the software.

Following discussion, Senator Bill Sample moved that the Policy-Making Subcommittee recommend approval of the professional services contract between Regional Economic Models, Inc. and the Bureau of Legislative Research. The motion was seconded and passed by voice vote.

There being no further business, the meeting adjourned.

Respectfully submitted,

Senator Linda Chesterfield, Co-Chair and Representative George B. McGill, Co-Chair

LC:GBM/vjf

# ARKANSAS GENERAL ASSEMBLY



Senator Alan Clark  
Senate Co-Chair

Representative Tim Lemons  
House Co-Chair

## WATER PROVIDER LEGISLATIVE TASK FORCE (Act 1056 of 2017)

March 13, 2018

The Honorable Linda Chesterfield, Co-Chair  
The Honorable George McGill, Co-Chair  
Arkansas Legislative Council – Policy-Making Subcommittee  
Room 315, State Capitol  
Little Rock, AR 72201

**RE: Request for Additional Funds**

VIA ELECTRONIC MAIL

Dear Senator Chesterfield and Representative McGill:

As Co-Chairs of the Water Provider Legislative Task Force, we respectfully request an item be included on the agenda of the April 16, 2018 meeting of the ALC-Policy-Making Subcommittee. The Water Provider Task Force is requesting an additional allocation of funds for the Task Force to finish out the Fiscal Year ending June 30, 2018. We estimate an additional \$25,000.00 is needed to supplement the remaining Task Force funds.

The Task Force holds monthly meetings, well attended by both Task Force members and other legislators interested in Arkansas's statewide water issues. In 2018, the expenditure per meeting has averaged close to \$4,000.00 for in-state per diem, mileage, and expenses. The Task Force will meet at least four to five more times before the end of FY 2017-2018.

Thank you for your consideration of this request. Please feel free to contact either of us if you have any questions.

Respectfully submitted,

Handwritten signature of Alan Clark in blue ink, with initials "KH" at the end.

Senator Alan Clark, Co-Chair

Handwritten signature of Tim Lemons in blue ink, with initials "HL" at the end.

Representative Tim Lemon, Co-Chair

cc: Senator Bill Sample, Co-Chair, Arkansas Legislative Council  
Representative Jim Dotson, Co-Chair Arkansas Legislative Council  
Ms. Marty Garrity, Secretary, Arkansas Legislative Council  
Ms. Jill Thayer, Legal Counsel to the Director, Arkansas Bureau of Legislative Research

**REGIONAL ECONOMIC MODELS, INC.  
PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement ("Agreement") is entered into as of the 20th day of April, 2018, by and between

Regional Economic Models, Inc., a corporation organized and existing under the laws of the Commonwealth of Massachusetts and having a principal place of business at 433 West Street, Amherst, Massachusetts 01002 ("REMI"),

and

Bureau of Legislative Research, a government entity organized and existing under the laws of the State of Arkansas and having a principal place of business at 500 Woodlane St., State Capitol Bldg., Rm. 315; Little Rock, AR 72201 ("CLIENT").

**1. PERFORMANCE BY REMI:**

The Services under this Agreement are provided for the use and benefit of the Arkansas Tax Reform and Relief Legislative Task Force (the "Task Force") and the Arkansas General Assembly, as they examine and identify areas of potential reform within the tax laws of the State of Arkansas. REMI agrees to provide to the Task Force and the Arkansas General Assembly through CLIENT the professional services (the "Services") specified in the Statement of Work ("SOW") attached hereto as Appendix A, as the same may be amended from time to time by subsequent SOW's executed by both REMI and CLIENT.

**2. PAYMENT FOR SERVICES:**

CLIENT agrees to pay REMI for the Services in accordance with the Fee Schedule set forth in the SOW and to reimburse REMI for all reasonable out-of-pocket expenses up to the maximum contract amount of Eighty Thousand Five Hundred Dollars (\$80,500.00). This total maximum contract amount includes any and all expenses for travel related to performing the Services under this Agreement. REMI will invoice CLIENT monthly for Services rendered during the preceding monthly period. The invoice will detail the work performed during such period. The monthly invoices will also include reimbursements for actual travel expenses. All mileage amounts will be calculated per Mapquest, and copies of the Mapquest routes will be provided to CLIENT with the monthly invoices, as well as copies of receipts for actual travel expenses. CLIENT will pay each invoice within thirty (30) days after receipt. All amounts not paid by the due date shall bear interest at the rate of one-and-one-half percent (1½%) per month, or at the highest rate allowed by law, whichever is less, from the date due until paid.

**3. STATEMENTS OF WORK:**

The parties shall in good faith negotiate SOW's as and when required, each of which upon signing shall be deemed a part of this Agreement. Unless otherwise agreed in an SOW, the following provisions shall govern SOW's generally:

- a. **Term.** The term of this agreement shall commence on May 1, 2018 and continue until April 30, 2019, with an option to renew for an additional six-month period upon mutual agreement of the parties if the need of the Arkansas General Assembly merits an extension.
- b. **Specifications.** Each SOW shall include: 1) written specifications for any services, reports, and/or computer programs and documentation to be provided thereunder; 2) a statement as to all materials, data, and information to be provided by CLIENT in connection therewith; 3) a description of the fees and payments to be made in consideration of the work performed under such SOW; and 4) a list of items in the work product for which REMI grants to CLIENT a non-exclusive, non-assignable, royalty-free license to exhibit, publish, transmit, copy, modify, prepare derivative works from, distribute, display and use.

4. **OWNERSHIP:**

- a. CLIENT agrees that REMI is the owner of all right, title and interest in all computer programs, including any source code, object code, enhancements and modifications, all files, including computer generated forecasts and analysis, and all documentation related to such computer programs and files, all media upon which any such computer programs, files and documentation are located (including tapes, disks and other storage media), all reports and models, and all related materials that are developed for, or provided to, CLIENT in connection with the performance by REMI of any Services hereunder (the "Work Product").
- b. REMI grants to CLIENT, the Task Force, and the Arkansas General Assembly a non-exclusive, non-assignable, royalty-free license to exhibit, publish, transmit, copy, modify, prepare derivative works from, distribute, display and use the portion of the Work Product identified in the SOW.

5. **NON-SOLICITATION:**

REMI and CLIENT agree not to solicit or recruit employees who are currently employed (or who were employed in the last six (6) months) by the other party unless written permission is obtained from the other party. This provision shall remain in effect for a period of six (6) months after termination of this Agreement.

6. **WARRANTIES AND DISCLAIMER:**

REMI warrants the following with respect to Services performed:

- a. **Non-Infringement of Third Party Rights.** The Services and any computer programs provided hereunder will not infringe the rights of third parties, including trade secrets, proprietary information and non-disclosure rights, or any trademark, copyright or patent rights.
- b. **Disclaimer of Any Other Warranty.** THE LIMITED WARRANTIES SET FORTH IN SECTION 6.a ARE IN LIEU OF ALL OTHER WARRANTIES. ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF

MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED.

7. **TERMINATION:**

- a. **Commencement and Renewal.** This Agreement shall be a term agreement, as stated in SECTION 3.a., above. This Agreement may be amended or renewed with revised terms, conditions and prices only upon the written agreement of both parties.
- b. **Termination.** Either party, upon giving twenty (20) days' written notice to the other party, may terminate this Agreement for any reason.

8. **CONFIDENTIAL INFORMATION:**

- a. **Non-Disclosure.** Each party agrees not to use, disclose, sell, license, publish, reproduce or otherwise make available the Confidential Information of the other party except and only to the extent necessary to perform under this Agreement. Each party agrees to secure and protect the other party's Confidential Information in a manner consistent with the maintenance of the other party's confidential and proprietary rights in the information and to take appropriate action by instruction or agreement with its employees, consultants or other agents who are permitted access to the other party's Confidential Information to satisfy its obligations under this Section. Expiration or termination of this Agreement shall not relieve either party of its obligations regarding Confidential Information. Due to CLIENT being a public entity within the State of Arkansas, all terms of this Agreement, including but not limited to fee and expense structure, are subject to disclosure under the Freedom of Information Act of 1967, Ark. Code Ann. §25-19-101, *et seq.* If disclosure of REMI's Confidential Information is required by law, rule, regulation or professional standard, including by subpoena or other similar form of process, CLIENT shall provide REMI with prior written notice thereof.
- b. **Definition.** "Confidential Information" means a party's information, not generally known by non-party personnel or disclosed by the party, which is proprietary to the party or the disclosure of which would be detrimental to the party. Confidential Information includes, but is not limited to, the following types of information (whether or not reduced to writing or designated as confidential): (i) a party's computer software, including documentation; (ii) a party's internal personnel, financial, marketing and other business information and manner and method of conducting business; (iii) a party's strategic, operations and other business plans and forecasts; and (iv) confidential information provided by or regarding a party's employees, customers, vendors and other contractors.

9. **LIMITATION OF LIABILITY:**

IN NO EVENT SHALL REMI BE LIABLE TO CLIENT FOR THE PAYMENT OF ANY CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS. UNDER NO CIRCUMSTANCES SHALL THE LIABILITY OF REMI TO CLIENT EXCEED THE AMOUNTS PAID BY CLIENT TO REMI UNDER THIS AGREEMENT OVER THE PREVIOUS 12 MONTHS.

**10. OTHER PROVISIONS:**

- a. Status as Independent Contractor.** REMI and CLIENT are contractors independent of one another and neither party's employees will be considered employees of the other party for any purpose. This Agreement does not create a joint venture or partnership, and neither party has the authority to bind the other to any third party.
- b. Applicable Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Arkansas without regard to the conflicts of laws principles thereof. REMI agrees that any claims against CLIENT, the Task Force, or the Arkansas General Assembly, whether arising in contract or tort, shall be brought before the Arkansas Claims Commission as provided by Arkansas law, and shall be governed accordingly. Nothing in this Agreement shall be construed as a waiver of the sovereign immunity of CLIENT, the Task Force, or the Arkansas General Assembly.
- c. Restriction of Boycott of Israel.** Pursuant to Ark. Code Ann. § 25-1-503, REMI hereby certifies and agrees that it is not currently engaged in, and agrees for the duration of the Agreement not to engage in, a boycott of Israel.
- d. Notices.** Any notice or other communication required or permitted under this Agreement shall be given in writing and delivered by email, by hand, or by registered or certified mail, or by a nationally recognized overnight courier, postage prepaid and return receipt requested, to the following persons (or their successors pursuant to due notice):

If to REMI:

Regional Economic Models, Inc.  
433 West Street  
Amherst, MA 01002  
Attn: Frederick Treyz, PhD

If to CLIENT:

Bureau of Legislative Research  
500 Woodlane St.,  
State Capitol Bldg., Rm. 315  
Little Rock, AR 72201  
Attn: Jillian Thayer,  
BLR Legal Counsel, [thayerj@blr.arkansas.gov](mailto:thayerj@blr.arkansas.gov)

- e. Waiver.** No waiver of any breach of any of the provisions of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provisions hereof. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.
- f. Entire Agreement.** This Agreement, including SOW's entered into pursuant to the terms hereof, and all written license, maintenance and support and non-disclosure agreements, constitute the entire agreement between REMI and CLIENT.
- g. Modifications.** No modification of this Agreement shall be effective unless in writing and signed by both parties.

Field Code C

- h. Severability.** If any provision of this Agreement is invalid or unenforceable under any statute or rule of law, the provision is to that extent to be deemed omitted, and the remaining provisions shall not be affected in any way.
- i. Survival.** Sections 2, 4, 5, 6(b), 8, 9 and 10 shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF, and in acknowledgment that the parties hereto have read and understood each and every provision hereof, the parties have executed this Agreement as of the date first set forth above.

**REMI:**  
REGIONAL ECONOMIC MODELS, INC.

**CLIENT:**  
BUREAU OF LEGISLATIVE  
RESEARCH

By: \_\_\_\_\_  
Name: Frederick Treyz Ph.D.  
Title: Chief Executive Officer  
Address:  
433 West Street  
Amherst, MA 01002

By: \_\_\_\_\_  
Name: Marty Garrity  
Title: Director  
Address:  
500 Woodlane St., State Capitol Bldg.,  
Rm. 315  
Little Rock, AR 72201



**APPENDIX A  
STATEMENT OF WORK**

**Description of Services:**

REMI will build and calibrate an integrated Tax-PI model with dynamic fiscal note template and produce dynamic fiscal notes for the Arkansas Bureau of Legislative Research (CLIENT). REMI will produce up to 16 dynamic fiscal notes. REMI shall provide CLIENT with a license to the Tax PI model until April 30, 2019 to review model and provide further analysis. Below is a breakout of the phases of our statement of work, timetable and final deliverables. The term of this Agreement is May 1<sup>st</sup>, 2018 to May 1<sup>st</sup>, 2019.

**Task 1: Build 1-Region, 70-Sector Tax-PI Model of State of Arkansas – Two Weeks**

- Additional documentation can be provided upon request. Publicly available model equations documentation can be found at, [http://www.remi.com/wp-content/uploads/2017/10/Model-Equations-v2\\_1.pdf](http://www.remi.com/wp-content/uploads/2017/10/Model-Equations-v2_1.pdf).

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**Task 2: Calibrate Budget – One Week**

- After CLIENT confirms budget preference, REMI will integrate Arkansas state government revenues and expenditures into Tax-PI. Integration includes linking to applicable economic indicators and model policy levers.
- Quality assurance will commence to ensure budget reflects the correct linkages to the Arkansas economy.

**Task 3: Prepare Integrated Dynamic Fiscal Note Report Template – One Week**

- REMI will discuss with CLIENT the preferred format and general contents of dynamic fiscal note. Each dynamic fiscal note report not to exceed three pages.
- Review by project team to ensure linkages are correct and design is appropriate.

**Task 4: Prepare Dynamic Fiscal Notes Round One – Three Weeks Following Receipt of Data**

- REMI will provide dynamic fiscal notes on applicable legislation having a direct change in state revenues or expenditures of one million dollars or greater. Direct change in revenues or expenditures and brief description of legislation to be provided by CLIENT.
- Based on discussions with CLIENT when developing dynamic fiscal note template (Task 3), dynamic fiscal note could include a following set of indicators, annually out to five years.

Total Employment	Government Revenues
Government and Private Non-Farm Employment	Government Expenditures
Gross Domestic Product (GDP)	Population
Output – GDP including the value of intermediate inputs (Industry Sales)	Disposable Personal Income
Brief Supporting Commentary	

**Task 5: Prepare Presentation of Modeling Process & Dynamic Fiscal Notes – One Week**

- REMI will provide CLIENT a PowerPoint Presentation including the following contents:
  - Brief overview of model built
  - Example of budget integration with economy
  - Explanation of dynamic fiscal note evaluation process
  - Overview of dynamic fiscal notes evaluated
- CLIENT will have sixty (60) days to review and give feedback. REMI may adjust presentation if necessary.

**Task 6: In-Person Presentation – One to Two Days**

- REMI will provide a presentation to audience(s) arranged by CLIENT. (Tentatively in August of 2018, or at another mutually agreed upon time.)
- Includes internal and supplementary meetings within this same one or two-day period.
- Additional in-person presentations or on-site support are not included in this Agreement. If REMI will provide CLIENT with additional such services, travel expenditure reimbursements and daily rates for staff services would apply.

**Task 7: Tax-PI Modeling Support – Until April 30, 2019**

- After completion of Task 4, CLIENT shall be provided with a copy of the Tax-PI model with integrated dynamic fiscal note template per the terms and conditions in *Attachment A: Software Licensing Agreement*. This temporary Tax PI license will expire after April 30<sup>th</sup>, 2019.
  - Within this time period, REMI will provide remote training and technical support.
  - The Tax PI License includes two installations within the same department, one Authorized User and one Assistant User.

**Task 8: Prepare Dynamic Fiscal Notes Round Two – Until April 30, 2019**

- Within the term of this Agreement, REMI will produce up to 16 dynamic fiscal notes on behalf of CLIENT. This will include notes prepared during Task 4.
- CLIENT must provide data a minimum of five (5) business days prior to delivery of additional fiscal note.

**Deliverables:**

The REMI will provide the following deliverables to the CLIENT:

- A Maximum of 16 Dynamic Fiscal Notes
- Power Point Presentation
- In-Person Presentation
- Temporary Tax-PI License with Remote Support

**Fixed Fee:**

- 1- Region, 70-Sector Tax PI Model Temporary License: \$68,000
  - Consulting Services: \$12,500
- Total Fixed Fee: \$80,500**

**ATTACHMENT A:**

## SOFTWARE LICENSING AGREEMENT

This Software Licensing Agreement (this “Agreement”) is entered into as of the 20th day of April, 2018 (the “Effective Date”), by and between

Regional Economic Models, Inc. (hereinafter referred to as “REMI”), a corporation organized under the laws of the Commonwealth of Massachusetts with offices located at 433 West Street, Amherst, MA 01002,

and

Bureau of Legislative Research, a government entity organized and existing under the laws of the State of Arkansas and having a principal place of business at 500 Woodlane St., State Capitol Bldg., Rm. 315; Little Rock, AR 72201 (hereinafter referred to as “CLIENT”).

### 1. **LICENSE:**

- a. **Grant of License.** Subject to the terms and conditions of this Agreement, REMI hereby grants to CLIENT, and CLIENT hereby accepts, a non-exclusive and non-transferable license to use the software and materials described in the attached Schedule A (collectively hereinafter the “Licensed Program”) for the period indicated on the attached Schedule B.
- b. **Restrictions on Use.** Use of the Licensed Program is restricted to a single authorized individual who, at all times during the term of this Agreement, shall be an employee of CLIENT (hereinafter referred to as the “Authorized User”). Installation and use of the Licensed Program is restricted to a single computer only. The Licensed Program may be installed only on a hard drive or area of a hard drive that cannot be accessed by or from other computers, terminals or network users. Use of the Licensed Program is limited to those analytic purposes directly related to economic analysis on behalf of the State of Arkansas. CLIENT agrees and acknowledges that it does not have the right to copy or reproduce the Licensed Program and further agrees that it will not attempt to reverse engineer or decompile the Licensed Program. Client will not provide the Licensed Program or any copy of all or part of the Licensed Program to any third party.
- c. **Authorized User.** The Authorized User shall be Richard Wilson. CLIENT may change the Authorized User after notifying REMI in writing of the proposed new Authorized User and obtaining REMI’s written consent thereto. The Authorized User shall be bound by and adhere to the license terms and restrictions set forth in this Agreement.
- d. **Assistant User.** The CLIENT may designate one of its employees as assistant to the Authorized User (the “Assistant User”). The Assistant User may, under certain conditions, access and use the Licensed Program for the sole and exclusive purposes of assisting the Authorized User. Provided, however, the CLIENT must first (a) inform REMI of the name, position, and duties of the proposed Assistant User and (b) obtain written approval from REMI. The Assistant User shall be bound by and adhere to the license terms and restrictions set forth in this Agreement and may have limited access to

REMI support services at no additional fee. The extent and scope of such access shall be determined by REMI in its sole discretion.

- e. Other than as explicitly stated herein, nothing contained in this document shall be construed as granting, by implication or otherwise, any additional rights to REMI intellectual property without REMI'S prior written permission.

2. **ASSIGNMENT:**

CLIENT's rights and obligations under this Agreement may not be assigned by CLIENT without prior written approval by REMI.

3. **LICENSED PROGRAM:**

After execution of this Agreement, REMI shall furnish CLIENT a copy of the Licensed Program, all software to be provided in object code form only.

Licensed Program shall be delivered to CLIENT per the following:

Bureau of Legislative Research  
500 Woodlane St.  
State Capitol Bldg., Rm. 315  
Little Rock, AR 72201  
Attn: Richard Wilson

4. **WARRANTY OF PERFORMANCE:**

REMI represents and warrants that the Licensed Program will perform substantially in the manner specified in the materials described in schedule A for a period of ninety (90) days from the date installation on CLIENT'S computer.

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES. ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED.

Only an authorized officer of REMI may make modifications to this warranty or additional warranties binding on REMI, and all such modifications or additional warranties must be in writing. Accordingly, additional statements such as those made in advertising or presentations, whether oral or written, do not constitute warranties by REMI and should not be relied upon as such.

5. **PROPERTY RIGHTS:**

REMI warrants it owns or otherwise has rights, title, and interest in the Licensed Program sufficient to grant CLIENT a license thereto as set forth herein.

REMI warrants that the Licensed Program does not infringe upon any copyright or patent nor violate the proprietary rights of any third party.

In the event that a claim, suit or other proceeding is brought against CLIENT based upon an allegation that the use of the Licensed Program constitutes an infringement or misappropriation of a third party's rights (hereinafter an

“Infringement Claim”), REMI may at its own expense defend such claim or may procure the right to continue using all or part of the Licensed Program or may discontinue the Licensed Program. This shall constitute the entire liability of REMI with respect to an Infringement Claim. Provided, however, that the foregoing obligations shall not arise in the event that such an Infringement Claim would not have arisen but for the use or combination of the Licensed Program with any other product.

**6. COPYRIGHT NOTICE:**

As between REMI and CLIENT the Licensed Program is, and shall remain at all time, the property of REMI. CLIENT shall have no right, title or interest therein, except as expressly set forth in this Agreement.

CLIENT agrees that enhanced versions of the Licensed Program do not constitute a program different from the Licensed Program and, as such, are subject to the terms and conditions set forth in this Agreement.

**7. PROPRIETARY AND TRADE SECRET INFORMATION:**

CLIENT acknowledges that the Licensed Program constitutes confidential information of REMI.

CLIENT will use all reasonable precautions and take all necessary steps to prevent the Licensed Program from being acquired or used by unauthorized persons and CLIENT will take appropriate action, by instruction, agreement or otherwise, with any persons permitted access to the Licensed Program so as to enable CLIENT to satisfy its obligation hereunder.

CLIENT will not lend, sell, lease or otherwise dispose of the Licensed Program and Materials without the prior written approval of REMI.

CLIENT will not show or disclose the Licensed Program or any part thereof to anyone for any purpose other than as expressly permitted herein.

**8. LIABILITY:**

REMI DISCLAIMS ANY AND ALL LIABILITY FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFIT) ARISING OUT OF THIS AGREEMENT OR WITH RESPECT TO THE INSTALLATION, USE, OPERATION, OR SUPPORT OF THE LICENSED PROGRAM OR ANY UPDATE OF THE LICENSED PROGRAM, EVEN IF REMI HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ANY EVENT, REMI’S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID BY THE CLIENT FOR THE PARTICULAR LICENSED PROGRAM OR MATERIALS.

Sections 2, 4, 6, 7, , and 8 shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF, and in acknowledgment that the parties hereto have read and understood each and every provision hereof, the parties have executed this Agreement as of the Effective Date set forth above.

**REMI:**  
REGIONAL ECONOMIC MODELS, INC.

**CLIENT:**  
BUREAU OF LEGISLATIVE  
RESEARCH

By: \_\_\_\_\_  
Name: Frederick Treyz, PhD  
Title: Chief Executive Officer  
Address:  
433 West Street  
Amherst, MA 01002

By: \_\_\_\_\_  
Name: Marty Garrity  
Title: Director  
Address:  
500 Woodlane St.  
State Capitol Bldg., Rm. 315  
Little Rock, AR 72201

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **SOFTWARE LICENSING AGREEMENT**

### **SCHEDULE A LICENSED PROGRAM:**

REMI will provide a 1-Region, 70-Sector Tax PI model consisting of the following areas:

- State of Arkansas

**SCHEDULE B  
LICENSE PERIOD:**

To the CLIENT for a temporary license period beginning upon delivery of the Licensed Program and expiring on April 30<sup>th</sup>, 2019.

CLIENT accepts this model for license under the condition that the model will not be run beyond the date of April 30<sup>th</sup>, 2019 for any purpose.

REMI will provide unlimited telephone consulting to the licensed user on model use and interpretation, and attendance at any REMI sponsored conferences and educational seminars for the duration of the rental period.

This license may be extended from the date of expiration of the original license period for a monthly fee. This fee shall be calculated based off the current price for a three (3) month temporary license (for the model in this Agreement). The monthly extension fee shall be one third of the three (3) month license fee for each additional month of the license extension.

Accepted by:

**CLIENT:**  
BUREAU OF LEGISLATIVE  
RESEARCH

By: \_\_\_\_\_

Name: Marty Garrity

Title: Director

Address:

500 Woodlane St.

State Capitol Bldg., Rm. 315

Little Rock, AR 72201

Date: \_\_\_\_\_