

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 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

HOUSE BILL 1194

5 By: Representative Pritchard  
6 By: Senator J. Taylor  
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## For An Act To Be Entitled

10 AN ACT TO AMEND ARKANSAS CODE § 17-25-403 TO  
11 DEFINE THE TERM "FINANCIAL OBLIGATIONS" TO  
12 INCLUDE CIVIL PENALTIES; AND FOR OTHER PURPOSES.  
13

## Subtitle

14 AN ACT TO AMEND ARKANSAS CODE § 17-25-  
15 403 TO DEFINE THE TERM "FINANCIAL  
16 OBLIGATIONS" TO INCLUDE CIVIL PENALTIES.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 17-25-403 is amended to add an additional  
23 subsection to read as follows:

24 (a)(1) In the event the contractor fails to honor its financial  
25 obligations to the State of Arkansas or to any city, county, school district,  
26 state agency, or other political subdivision of the state, the customer for  
27 whom the work was being performed shall be responsible for all financial  
28 obligations of the contractor to the State of Arkansas or to any city,  
29 county, school district, state agency, or other political subdivision of the  
30 state, on that customer's project, provided that the customer receives  
31 written notice of the contractor's failure to comply with this subchapter  
32 prior to final payment to the contractor.

33 (2) The written notice must include the maximum amount of any  
34 and all financial obligations the contractor may potentially owe to the State  
35 of Arkansas or to any city, county, school district, state agency, or other  
36 political subdivision of the state, arising from that customer's project.



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2       (b) As used in this section, "financial obligations" include, but are  
3 not limited to, civil penalties imposed by the State of Arkansas or any city,  
4 county, school district, state agency, or other political subdivision of the  
5 state, including civil penalties imposed by the Contractors Licensing Board  
6 pursuant to § 17-25-103(e)(1)(A) and § 17-25-408 for violation of the  
7 provisions of this chapter.

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9       SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly that current law applicable to the Contractor's Licensing  
11 Board does not specify that financial obligations under § 17-25-403 are to  
12 include civil penalties imposed by the board; and that the effective  
13 operation of the board requires that financial obligations pursuant to § 17-  
14 25-403 include civil penalties. Therefore, an emergency is declared to exist  
15 and this act being immediately necessary for the preservation of the public  
16 peace, health, and safety shall become effective on:

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

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

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

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