

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

As Engrossed: H2/1/05
A Bill

HOUSE BILL 1194

5 By: Representative Pritchard
6 By: Senator J. Taylor
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9 **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

14 **Subtitle**

15 AN ACT TO AMEND ARKANSAS CODE § 17-25-
16 403 TO DEFINE THE TERM "FINANCIAL
17 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 responsibility of the customer shall not exceed any
34 amount owed to the contractor on or after the date the customer receives the
35 written notice.

36 (3) The written notice shall be sent by certified mail, return



1 receipt requested, and must include the maximum amount of any and all
2 financial obligations the contractor may potentially owe to the State of
3 Arkansas or to any city, county, school district, state agency, or other
4 political subdivision of the state, arising from that customer's project.

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6 (b)(1) As used in this section, "financial obligations" include, but
7 are not limited to, civil penalties imposed by the State of Arkansas or any
8 city, county, school district, state agency, or other political subdivision
9 of the state.

10 (2) Civil penalties imposed pursuant to Arkansas Code § 17-25-
11 103(e)(1)(A) and Arkansas Code § 17-25-408 for violations of the provisions
12 of this chapter arise from and are connected to the customer's project and
13 the provisions of this section apply thereto.

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

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

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

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

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30 /s/ Pritchard
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