

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 87th General Assembly  
3 Regular Session, 2009  
4

# A Bill

HOUSE BILL 1355

5 By: Representative Maloch  
6 By: Senator G. Baker  
7

## For An Act To Be Entitled

10 AN ACT CONCERNING SEVERANCE AGREEMENTS EXECUTED  
11 BY STATE AGENCIES; AND FOR OTHER PURPOSES.  
12

### Subtitle

14 CONCERNING SEVERANCE AGREEMENTS EXECUTED  
15 BY STATE AGENCIES.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code Title 21, Chapter 5, Subchapter 1 is amended  
21 to add an additional section to read as follows:

22 21-5-110. Restrictions on severance agreements.

23 (a) As used in this section:

24 (1)(A)(i) "Public funds" means all state-appropriated and cash  
25 funds of state agencies, as defined by applicable law or official ruling.

26 (ii) Public funds as used in this subchapter shall  
27 not include funds administered by, or under the control of, agencies, except  
28 public funds.

29 (B) Without limitation, "public funds" does not include  
30 grants, donations, research contracts, and revenues derived from self-  
31 supporting enterprises which are not operated as a primary function of the  
32 agency, no part of which funds are deposited into the State Treasury;

33 (2) "State agency" means an agency, bureau, board, or commission  
34 of any branch of state government, and all state-supported institutions of  
35 higher education; and

36 (3) "State employee" means a full-time employee of the State of



1 Arkansas or any branch, department, board, bureau, commission, or state-  
2 supported institution of higher education.

3 (b)(1) No payment from public funds by a state agency to a state  
4 employee as part of a severance agreement shall exceed the equivalent of the  
5 state employee's salary and benefits for a six-month period.

6 (2) This section shall not prohibit payments by a state agency  
7 to a state employee as part of a severance agreement in excess of the amount  
8 provided by subdivision (b)(1) of this section so long as the payments in  
9 excess of the state employee's salary and benefits for a six-month period do  
10 not consist of public funds.

11 (c)(1) Any employment contract executed by a state employee shall  
12 contain a clause reflecting the provisions of this section.

13 (2) Any contract executed after the effective date of this  
14 section that does not contain a clause reflecting the provisions of this  
15 section shall as a matter of law be interpreted as containing the clause  
16 required by this section.

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