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27	lower sewer company that would otherwise be exempt from the definit	ion of
28	"public utility" under subdivision (9)(A)(ii)(b) of this section or	•
29	subdivision (9)(A)(vi)(b) of this section shall be included within	the term
30	"public utility" if the Class B or lower water company or Class B o	r lower
31	sewer company petitions the Arkansas Public Service Commission to h	ave the
32	company included.	
33	(2) The provisions of this sec	tion do
34	$\frac{1}{1}$ not Subdivision (9)(G)(i)(a)(1) of this section does not apply to a	water or
35	sewer company formed under the nonprofit corporation laws of this s	tate or
36	any improvement district or water distribution district law of this	state.

1	(b)(1) All class b of lower water companies of
2	Class B or lower sewer companies that would otherwise be exempt from the
3	definition of "public utility" under subdivision (9)(A)(ii)(b) of this
4	section or subdivision (9)(A)(vi)(b) of this section shall be included within
5	the term "public utility" if a majority of the customers of the company
6	petition the Arkansas Public Service Commission to have the company included.
7	The Arkansas Public Service Commission shall determine the sufficiency of the
8	petition at a public hearing. The water or sewer company or any customer of
9	the company may appear and present evidence on the sufficiency of the
10	petition.
11	(2) The provisions of this section do
12	not Subdivision (9)(G)(i)(b)(1) of this section does not apply to a water or
13	sewer company formed under the nonprofit corporation laws of this state or
14	any improvement district or water distribution district law of this state.
15	
16	SECTION 2. Arkansas Code § 23-16-101 is amended to read as follows to
17	renumber the defined terms subsequent to the repeal of a defined term, to
18	remove superfluous language, and to correct a reference:
19	23-16-101. Definitions.
20	As used in this subchapter, unless the context otherwise requires:
21	(1)(A) {Repealed.}
22	(2) "Other carriers" means all persons, firms, and corporations,
23	other than rail carriers as defined in this section, which were subject to
24	regulation by the department prior to <u>former Arkansas Transportation</u>
25	Commission before the enactment of Acts 1945, No. 40, together with all
26	persons, firms, and corporations $\frac{\text{which}}{\text{that}}$ perform similar services in
27	Arkansas.
28	(B) "Other carriers" shall also include includes common
29	carriers by aircraft as defined under the Arkansas Air Commerce Act, § 23-14-
30	101 et seq.; and
31	$\frac{(3)}{(2)}$ "Rail carrier" means all persons, firms, and corporations
32	engaged in the business of common carrier of freight and passengers by rail
33	in Arkansas and which are subject to regulation by the department <u>Arkansas</u>
34	Department of Transportation.
35	

SECTION 3. Arkansas Code § 23-40-115(a), concerning limitations on the

1 types of investments trustees can make using assets of a trust fund under the 2 Arkansas Prepaid Funeral Benefits Law, is amended to read as follows to 3 correct improper subdividing that resulted in a subdivision designated as 4 (a)(1) when there was no subdivision designated as (a)(2), to correct an 5 improperly subdivided list within a list, and to remove a reference to an 6 abolished entity: 7 (a)(1) The trustees shall invest the trust fund only in the following: 8 (A)(1) Demand deposits, savings accounts, certificates of 9 deposit, and all other accounts which that are insured by the Federal Deposit 10 Insurance Corporation or the Federal Savings and Loan Insurance Corporation 11 {abolished}; 12 (B)(2) Bonds and obligations which that are insured by, 13 fully guaranteed as to principal and interest by, and due from the United 14 States Government or any of its agencies, including the Federal National 15 Mortgage Association and the Government National Mortgage Association, and 16 any repurchase obligations which that are secured by any of the foregoing; 17 $\frac{(C)(i)(a)}{(3)}$ The following bonds or obligations: 18 (A)(i) Corporate, state, municipal, or political 19 subdivision bonds or obligations that at the time of purchase are rated A or 20 better by Moody's Investors Service, Inc. or A or better by Standard & Poor's 21 rate services. 22 (b)(ii) The Insurance Commissioner by rule may 23 permit the continued investment in a bond purchased in compliance with 24 subdivision $\frac{(a)(1)(C)(i)(a)}{(a)(3)(A)(i)}$ of this section that is subsequently 25 downgraded for the time and in the amounts established by the commissioner; 26 or and 27 (ii)(a)(B)(i) Bonds of any school district in this state. 28 (b)(ii) Provided, however, However, no more than thirty percent (30%) of the total trust assets may be invested in such school 29 30 district bonds; and 31 (D)(1)(4)(A) Mutual funds or common trust funds whose 32 portfolio is made up of investments that are described in subdivisions $\frac{(a)(1)(A)-(C)}{(a)(1)-(3)}$ of this section. 33 34 (2)(B) Investments described in subdivisions

be purchased and held by the trustee which that has trust powers under a

 $\frac{(a)(1)(B)-(D)}{(a)(2)}$ and $\frac{(3)}{(3)}$ and subdivision $\frac{(a)(4)(A)}{(a)}$ of this section shall

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     trust agreement filed with and approved by the commissioner.
 2
 3
           SECTION 4. Arkansas Code § 23-42-308(a)(2)(F), concerning the power of
 4
     the Securities Commissioner to deny, suspend, revoke, or withdraw the
     registration of a broker-dealer or agent under the Arkansas Securities Act,
 5
 6
     is amended to read as follows to correct an improperly subdivided list within
 7
     a list:
 8
                       (F)(i) Is the subject of <u>any of the following orders</u>
9
     entered within the past five (5) years:
10
                                    (a) an An order entered within the past five
11
     (5) years by:
12
                                          \frac{(a)}{(1)} The securities administrator of
13
     any other state;
14
                                          \frac{(b)}{(2)} Any national securities,
15
     commodities, or banking agency or jurisdiction;
16
                                          (c)(3) Any national securities or
17
     commodities exchange;
18
                                          \frac{(d)}{(4)} Any securities or commodities
19
     self-regulatory organization;
20
                                          (e)(5) Any registered securities
21
     association or clearing agency denying, revoking, suspending, or expelling
22
     him or her from registration as a broker-dealer, agent, investment adviser,
23
     or representative, or the substantial equivalent of those terms; or
24
                                          (f) Is the subject of a United States
25
     postal fraud order; or
26
                                          (g) (6) The insurance administrator of
27
     any state; or
28
                                    (b) A United States postal fraud order.
29
                              (ii) However, the commissioner shall not:
30
                                    (a) Institute a revocation or suspension
31
     proceeding under this subdivision (a)(2)(F) more than five (5) years from the
32
     date of the order relied on; and or
33
                                    (b) Enter an order under this subdivision
     (a)(2)(F) on the basis of an order under another state act, unless that order
34
35
     was based on facts which that would currently constitute a ground for an
36
     order under this section;
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           SECTION 5. Arkansas Code § 23-48-301 is amended to read as follows to
 3
     reorganize the section for clarity:
 4
           23-48-301. Application for incorporation.
 5
           (a) Any one (1) or more natural persons, eighteen (18) years eld of
 6
     age or older, a majority of whom shall be bona fide residents of this state,
 7
     who may desire to associate themselves by articles of incorporation for the
8
     purpose of establishing any state bank, may apply to the Bank Commissioner to
9
     be incorporated.
10
           (b)(1) An application for authority to organize a state bank shall be
11
     submitted to the commissioner in the form that the commissioner may prescribe
12
     and shall include the following information set forth in this subsection and
13
     subsection (e) of this section, and contain additional information which the
     commissioner may require. Five (5) copies of the proposed articles of
14
15
     incorporation and proposed bylaws shall be filed with the application. The
16
     application and articles of incorporation shall be signed by each of the
17
     incorporators, and shall be accompanied by a filing fee of not more than
18
     fifteen thousand dollars ($15,000) as set by State Bank Department
19
     regulations, which shall not be refundable.:
20
                       (1)(A) The name, citizenship, residence, and occupation of
21
     each incorporator, and of each of the initial directors, and the name and
22
     address of each stock subscriber, and the amount of stock paid for by each;
23
                       (2)(B) The name and address of an individual within the
24
     state to whom notice to all incorporators may be sent;
25
                       (3)(C) The total initial capital and the number of shares
26
     of each class of the capital stock to be authorized;
27
                       (4)(D) The corporate name;
28
                       (5)(E) The proposed location of the main banking office;
29
                       (6)(F) If known, the name and residence of the proposed
     president or chief executive officer, operations officer, and, if applicable,
30
31
     the name and address of the proposed trust officer;
32
                       (7)(G) The names of the natural persons who propose to own
33
     or control more than five percent (5%) of the capital stock;
34
                       (8)(H) The past and present connection with any depository
35
     institution, financial institution, or national trust company, other than as
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a customer on terms generally available to the public, of each proposed

1 director and each subscriber to more than five percent (5%) of the capital 2 stock: 3 (9)(I) Evidence of the character, financial 4 responsibility, and ability of the incorporators and proposed directors; 5 (10)(J) A brief statement of the purposes for which the 6 state bank is incorporated, and whether it shall operate a trust department; 7 (11)(K) The term for which the state bank is to exist, 8 which shall be perpetual unless otherwise limited; 9 (12)(L) A statement signed and verified by the 10 incorporators that the capital stock has been fully subscribed and the 11 purchase price therefor has been paid into an escrow account approved by the 12 commissioner and that the requirements of § 23-48-310 have been met; 13 (13)(M) Proof that application for federal deposit 14 insurance has been made; and 15 $\frac{(14)}{(N)}$ Recitation of the need for and advisability of the 16 approval to organize; 17 (0) Any information required under subdivision (b)(2) of this section not otherwise listed in this subdivision (b)(1); and 18 19 (P) Any additional information that the commissioner may 20 require. 21 (e)(2) The proposed articles of incorporation shall contain the 22 following information: 23 (1)(A) The name of the proposed institution; 24 $\frac{(2)}{(B)}$ The town or city in which the proposed institution 25 is to be located; 26 (3) (C) The amount of capital stock authorized, the number 27 of shares of each class, the relative preferences, powers, and rights of each 28 class, and the amount of paid-in surplus; 29 $\frac{(4)}{(D)}$ The names and places of residence of the 30 stockholders and the number of shares held by each; 31 (5)(E) A statement whether voting for directors shall or 32 shall not be cumulative and the extent, if any, of the preemptive rights of stockholders; 33 34 (6)(F) The term of the proposed institution's existence, 35 which shall be perpetual unless otherwise limited; 36 (7)(G) The names of the initial board of directors

- 1 composed of no fewer than three (3) natural persons who shall serve until the
- 2 next annual meeting or until their successors are regularly elected and
- 3 qualified;
- 4 (8)(H) Other information that the State Bank Department
- 5 may require; and
- 6 $\frac{(9)(1)}{(9)}$ Other proper provisions that the incorporators may
- 7 choose to insert for the regulation of the internal affairs and business of
- 8 the state bank.
- 9 (3)(A) Five (5) copies of the proposed articles of incorporation
- 10 and proposed bylaws shall be filed with the application under subdivision
- 11 (b)(1) of this section.
- 12 <u>(B) The application and articles of incorporation shall be</u>
- 13 signed by each of the incorporators and shall be accompanied by a
- 14 <u>nonrefundable filing fee of not more than fifteen thousand dollars (\$15,000)</u>
- 15 <u>as set by State Bank Department regulations.</u>
- 16 (d)(c) All persons purporting to act as or on behalf of a state bank
- 17 knowing there was no incorporation under this chapter are jointly and
- 18 severally liable for all liabilities created while so acting.

- 20 SECTION 6. Arkansas Code § 23-61-805 is amended to read as follows to
- 21 correct an internal reference and to update the subsection and subdivision
- 22 designations subsequent to the repeal of former subsection (b):
- 23 23-61-805. Funding Publication of costs.
- 24 (a)(1) The General Assembly shall establish a reasonable initial
- 25 assessment or user fee and reasonable increases or decreases in the amount of
- 26 future assessments or user fees and penalties and interest charges for
- 27 nonpayment of an assessment or user fee charged to participating health
- 28 insurers for the efficient operation of the Arkansas Health Insurance
- 29 Marketplace.
- 30 (2) Annually by October 1, the Arkansas Health Insurance
- 31 Marketplace shall report to the Legislative Council in the manner and format
- 32 that the Legislative Council requires the recommendations of the Arkansas
- 33 Health Insurance Marketplace for the initial assessment or user fee and
- 34 increases or decreases in the amount of future assessments or user fees and
- 35 penalties and interest charges for nonpayment of an assessment or user fee
- 36 charged to participating health insurers.

- 1 (3) Annually by December 1, the Legislative Council shall review
- 2 the recommendations of the Arkansas Health Insurance Marketplace under
- 3 subdivision $\frac{(a)(1)(a)(2)}{(a)(a)}$ of this section and report to the President Pro
- 4 Tempore of the Senate and the Speaker of the House of Representatives the
- 5 recommendations of the Legislative Council for the initial assessment or user
- 6 fee and future increases or decreases in the amount of assessments or user
- 7 fees and penalties and interest charges for nonpayment of an assessment or
- 8 user fee charged to participating health insurers.
- 9 (b) [Repealed.]

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- 10 (e)(1)(b)(1) All assessments and fees shall be due and payable upon 11 receipt and shall be delinquent if not paid within thirty (30) days of the 12 receipt of notice of the assessment by the health insurer.
- (2)(A) Failure to timely pay the assessment shall automatically subject the health insurer to a penalty not to exceed ten percent (10%) of the assessment plus interest as established under subsection (a) of this section.
- 17 (B) The penalty and interest is due and payable within the 18 next thirty-day period.
 - (3) The Board of Directors of the Arkansas Health Insurance Marketplace and the Insurance Commissioner may enforce the collection of the assessment and penalty and interest in accordance with this subchapter and the Arkansas Insurance Code.
- 23 (4) The board may waive the penalty and interest authorized by 24 this subsection if the board determines that compelling circumstances exist 25 that justify a waiver.
 - (d)(1)(c)(1) The Arkansas Health Insurance Marketplace shall publish the average costs of licensing, regulatory fees, and any other payments required by the Arkansas Health Insurance Marketplace and the administrative costs of the Arkansas Health Insurance Marketplace on an internet website to educate consumers on such costs.
- 31 (2) Information published under subdivision $\frac{(d)(1)(c)(1)}{(d)(1)}$ of this 32 section shall include information on moneys lost to waste, fraud, and abuse.
- 33 (e)(1)(d)(1) Annually, the Arkansas Health Insurance Marketplace shall 34 report the following information to the Legislative Council:
- 35 (A) The total amount of assessment fees or user fees 36 collected;

1	(B) The administrative costs and expenditure of the	
2	Arkansas Health Insurance Marketplace, including without limitation salaries	
3	of employees, supply costs, building rental costs, and technology costs;	
4	(C) The amount of any other funds received by the Arkansas	
5	Health Insurance Marketplace; and	
6	(D) Other budgetary or financial matters relating to the	
7	Arkansas Health Insurance Marketplace.	
8	(2) The Arkansas Health Insurance Marketplace shall disclose and	
9	provide additional budgetary or financial information upon the request of the	
10	Legislative Council or the Joint Budget Committee.	
11		
12	SECTION 7. Arkansas Code § 23-61-1102(f)(2), concerning the length of	
13	terms of members of the State Board of Embalmers, Funeral Directors,	
14	Cemeteries, and Burial Services, is amended to read as follows to correct a	
15	grammatical error:	
16	(2) After the completion of the terms of the initial members of	
17	the board under subdivision (f)(1) of this section, a member of the board	
18	shall serve for a term of five (5) years, and shall serve on the board until	
19	a successor is appointed and qualified.	
20		
21	SECTION 8. Arkansas Code § 23-61-1108(b), concerning penalties for	
22	violating licensing and inspection requirements and rules involving the	
23	transportation of dead human bodies, is amended to read as follows to clarify	
24	the prohibited conduct:	
25	(b) (1) A violation of the licensing and inspection requirements	
26	established by the board under this section is a Class A misdemeanor.	
27	(2) A violation of rules promulgated by the board under this	
28	section is a Class A misdemeanor.	
29		
30	SECTION 9. Arkansas Code § 23-79-311(c), concerning the definition of	
31	"motor vehicle", is amended to read as follows to correct a reference:	
32	(c) For purposes of this section, "motor vehicle" is defined as	
33	provided in § 27-14-207 <u>§ 27-14-104</u> .	
34		
35	SECTION 10. Arkansas Code Title 23, Chapter 79, Subchapter 17, is	

amended to add an additional section derived from general and permanent

1	uncodified language in Acts 2017, No. 1089, § 1, to read as follows:
2	23-79-1704. Legislative findings.
3	The General Assembly finds that:
4	(1) The State and Public School Life and Health Insurance Board
5	has a fiduciary obligation to explore cost-effective treatments for its
6	members;
7	(2) There are emerging technologies that could serve as cost-
8	effective alternatives to surgical procedures; and
9	(3) Clinical organizations are increasingly providing public
10	guidance on quality treatment practices.
11	
12	SECTION 11. Arkansas Code § 23-89-212(c), concerning the definition of
13	"motor vehicle", is amended to read as follows to correct a reference:
14	(c) For purposes of this section, "motor vehicle" is defined as
15	provided in <u>\$ 27-14-207</u> <u>§ 27-14-104</u> .
16	
17	SECTION 12. Arkansas Code § 23-94-204(i)(2), concerning the
18	requirements for a written charter of an audit committee of a risk retention
19	group under the Risk Retention and Purchasing Groups Act, is amended to read
20	as follows to substitute a defined term for a shortened version of that term
21	that is not defined:
22	(2) The audit committee shall have a written charter that
23	defines the purpose of the audit committee, as follows:
24	(A) Assist the board of directors in oversight of:
25	(i) The integrity of the financial statements of the
26	risk retention group;
27	(ii) Compliance with legal and regulatory
28	requirements; and
29	(iii) The qualifications, independence, and
30	performance of the independent auditor and actuary of the risk retention
31	group;
32	(B) Discuss the annual audited financial statements and
33	quarterly financial statements with the group's management of the risk
34	retention group;
35	(C) Discuss with the independent auditor of the risk
36	retention group:

1	(1) The annual audited linancial statements of the
2	risk retention group; and
3	(ii) If advisable, the quarterly financial
4	statements;
5	(D) Discuss policies with respect to risk assessment and
6	risk management;
7	(E) Have meetings with the group's management of the risk
8	retention group and the independent auditor separately and periodically,
9	either directly or through a designated representative of the audit
10	committee;
11	(F) Review any audit problems or difficulties and the
12	response by the group's management of the risk retention group with the
13	independent auditor;
14	(G) Set clear hiring policies of the risk retention group
15	as to the hiring of an employee or former employee of the independent
16	auditor;
17	(H) Require the external auditor to rotate the lead or
18	coordinating audit partner that has primary responsibility for the audit of
19	the risk retention group and the audit partner that is responsible for
20	reviewing the audit of the risk retention group so that neither individual
21	performs the audit services for more than five (5) consecutive fiscal years;
22	and
23	(I) Report regularly to the board of directors.
24	
25	SECTION 13. Arkansas Code $\S 23-94-204(j)(1)(B)(iv)$, concerning the
26	information required to be posted on the website of a risk retention group
27	under the Risk Retention and Purchasing Groups Act, is amended to read as
28	follows to substitute a defined term for a shortened version of that term
29	that is not defined:
30	(iv) Director access to the group's management <u>of</u>
31	the risk retention group and, as necessary and appropriate, to independent
32	advisors;
33	
34	SECTION 14. Arkansas Code § 23-99-1115(b)(1)(A), concerning the
35	information required for a written or verbal notice of an adverse
36	determination under the Prior Authorization Transparency Act. is amended to

1 read as follows to substitute a defined term for an undefined synonymous 2 term: 3 (A) The name, title, and telephone number of the physician 4 responsible for making the adverse determination and, in the event that the 5 physician responsible for making the adverse decision determination is not 6 available, a telephone number where a peer-to-peer contact with another 7 physician regarding the adverse determination can be made; 8 9 SECTION 15. Arkansas Code § 23-112-403(a)(3), concerning the 10 prohibition on a manufacturer owning, operating, or controlling a motor 11 vehicle dealer, is amended to read as follows to correct an improperly 12 subdivided list within a list: 13 (3)(A) For a manufacturer, distributor, distributor branch or 14 division, or factory branch or division, or an officer, agent, or other 15 representative thereof: 16 (A) To to own, operate, or control any motor vehicle 17 dealer,. 18 (B) provided that this subdivision (a)(3)(A) shall not be 19 construed to prohibit the following Subdivision (a)(3)(A) of this section 20 does not prohibit: 21 (i) The operation by a manufacturer of a motor 22 vehicle dealer for a temporary period, not to exceed one (1) year, during the 23 transition from one owner or operator to another; 24 (ii) The ownership or control of a motor vehicle 25 dealer by a manufacturer during a period in which the motor vehicle dealer is 26 being sold under a bona fide contract or purchase option to the operator of 27 the dealership; 28 (iii) The ownership, operation, or control of a 29 motor vehicle dealer by a manufacturer, if: (a) The manufacturer has been engaged in the 30 31 retail sale of new motor vehicles at the location for a continuous period of 32 five (5) years prior to January 1, 1999; and 33 (b) The commission determines after a hearing

consistent with the public interest;

on the matter at the request of any party that there is no prospective new

motor vehicle dealer available to own and operate the franchise in a manner

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35

I	(iv) The ownership, operation, or control of a new
2	motor vehicle dealer by a manufacturer, if the commission determines after a
3	hearing on the matter at the request of any party, that there is no
4	prospective new motor vehicle dealer available to own and operate the
5	franchise in a manner consistent with the public interest; or
6	(v) The ownership, operation, or control of a motor
7	vehicle dealer by a manufacturer, if the manufacturer is:
8	(a) A manufacturer of specialty vehicles, such
9	as unassembled kits, and does not sell more than ten (10) assembled vehicles
10	annually; or
11	(b) A custom motorcycle builder and does not
12	sell more than five (5) assembled motorcycles annually;
13	
14	SECTION 16. Arkansas Code § 23-114-102(16)(A), concerning the
15	definition of "raffle" under the Charitable Bingo and Raffles Enabling Act,
16	is amended to read as follows to correct a typographical error:
17	(16)(A) "Raffle" means the selling of tickets to win a prize
18	awarded though through a random drawing.
19	
20	SECTION 17. DO NOT CODIFY. CONSTRUCTION AND LEGISLATIVE INTENT.
21	It is the intent of the General Assembly that:
22	(1) The enactment and adoption of this act shall not expressly
23	or impliedly repeal an act passed during the regular session of the Ninety-
24	Second General Assembly;
25	(2) To the extent that a conflict exists between an act of the
26	regular session of the Ninety-Second General Assembly and this act:
27	(A) The act of the regular session of the Ninety-Second
28	General Assembly shall be treated as a subsequent act passed by the General
29	Assembly for the purposes of:
30	(i) Giving the act of the regular session of the
31	Ninety-Second General Assembly its full force and effect; and
32	(ii) Amending or repealing the appropriate parts of
33	the Arkansas Code of 1987; and
34	(B) Section 1-2-107 shall not apply; and
35	(3) This act shall make only technical, not substantive, changes
36	to the Arkansas Code of 1987.