

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

SENATE BILL 653

5 By: Senator G. Leding  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND BUSINESS CORPORATION LAW; TO MODIFY  
9 THE ARKANSAS BUSINESS CORPORATION ACT OF 1987; TO  
10 ENSURE FAIR WORKER REPRESENTATION ON A CORPORATE  
11 BOARD OF DIRECTORS; AND FOR OTHER PURPOSES.  
12  
13

## Subtitle

15 TO AMEND BUSINESS CORPORATION LAW; TO  
16 MODIFY THE ARKANSAS BUSINESS CORPORATION  
17 ACT OF 1987; AND TO ENSURE FAIR WORKER  
18 REPRESENTATION ON A CORPORATE BOARD OF  
19 DIRECTORS.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 4-26-802, concerning the number, election,  
25 and term of directors of a business corporation, is amended to add an  
26 additional subsection to read as follows:

27 (g)(1) At least two-fifths (2/5) of the directors of a corporation  
28 shall be elected by the employees of the corporation using an election  
29 process.

30 (2) A director elected by the employees of the corporation under  
31 subdivision (g)(1) of this section shall:

32 (A) Have the same rights and powers as a director elected  
33 by the stockholders; and

34 (B) Be subject to the same duties and responsibilities as  
35 a director elected by the stockholders.

36 (3) This subsection applies only to a corporation with more than



1 fifty million dollars (\$50,000,000) in gross receipts in a taxable year.

2  
3 SECTION 2. Arkansas Code § 4-27-803, concerning the number and  
4 election of directors under the Arkansas Business Corporation Act of 1987, is  
5 amended to add an additional subsection to read as follows:

6 (e)(1) At least two-fifths (2/5) of the directors of a corporation  
7 shall be elected by the employees of the corporation using an election  
8 process.

9 (2) A director elected by the employees of the corporation under  
10 subdivision (e)(1) of this section shall:

11 (A) Have the same rights and powers as a director elected  
12 by the stockholders; and

13 (B) Be subject to the same duties and responsibilities as  
14 a director elected by the stockholders.

15 (3) This subsection applies only to a corporation with more than  
16 fifty million dollars (\$50,000,000) in gross receipts in a taxable year.