

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H2/28/23

A Bill

HOUSE BILL 1382

5 By: Representatives Lundstrum, Clowney, C. Cooper, Crawford, V. Flowers, G. Hodges, Pilkington,
6 Scott, Unger

7 By: Senators B. Davis, J. Bryant, C. Penzo, Irvin, C. Tucker, G. Leding
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For An Act To Be Entitled

10 AN ACT TO CREATE THE REBOOT PILOT PROGRAM; TO DEFINE
11 "QUALIFYING FORMER OFFENDER"; TO CREATE AN INCOME TAX
12 CREDIT FOR BUSINESSES THAT HIRE A QUALIFYING FORMER
13 OFFENDER; AND FOR OTHER PURPOSES.
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Subtitle

16 TO CREATE THE REBOOT PILOT PROGRAM; AND
17 TO CREATE AN INCOME TAX CREDIT FOR
18 BUSINESSES THAT HIRE CERTAIN FORMER
19 OFFENDERS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. DO NOT CODIFY. Legislative findings.

26 The General Assembly finds that:

27 (1) According to the Department of Corrections:

28 (A) "Recidivism" is defined as a parole violation
29 resulting in an additional sentence, a technical violation of the terms of
30 early release, or a new sentence resulting in incarceration subsequent to a
31 discharge. Recidivism rates are calculated using the nationwide correctional
32 standard timeframes of six-, twelve-, and thirty-six-month follow-up periods;
33 and

34 (B) Nearly fifty-one percent (51%) of Arkansas state
35 prisoners who were released in 2017 were rearrested within three (3) years
36 upon release;



1 (2) According to the Bureau of Justice Statistics, sixty-two
2 percent (62%) of state prisoners across thirty-four (34) states who were
3 released in 2012 were rearrested within three (3) years of release and
4 seventy-one percent (71%) were rearrested within five (5) years of release;

5 (3) The recidivism rate in the United States and Arkansas is
6 staggeringly high and raises questions about how our correctional system can
7 be improved;

8 (4) Many people recently released from incarceration receive
9 minimal preparation for release, receiving little assistance and few
10 resources, all of which makes it difficult for those recently released from
11 incarceration to acclimate to society; and

12 (5) Research suggests that former inmates are likely to leave
13 prison with a mentality of living paycheck-to-paycheck, have no savings or
14 bank account, and have few job prospects.

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16 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
17 amended to add an additional section to read as follows:

18 26-51-517. The Reboot Pilot Program – Definition.

19 (a) This section shall be known and may be cited as "The Reboot Pilot
20 Program".

21 (b)(1) As used in this section, "qualifying former offender" means an
22 individual who was:

23 (A) Convicted of a state or federal felony offense;

24 (B) Incarcerated for the felony offense; and

25 (C) Released from his or her first term of incarceration
26 for the felony offense within twelve (12) months before the date on which he
27 or she was hired as an employee.

28 (2) "Qualifying former offender" includes an individual who has
29 been incarcerated for a violation of the conditions of his or her
30 supervision.

31 (c)(1) There is allowed an income tax credit against the income tax
32 imposed by this chapter in the amount determined under subsection (d) of this
33 section for each qualifying former offender employed by the taxpayer for at
34 least forty (40) hours per week at pay that is at or above the state minimum
35 wage.

36 (2) The amount of the income tax credit under this section that

1 may be claimed by the taxpayer in a tax year shall not exceed the amount of
2 income tax due by the taxpayer.

3 (d) The tax credit provided for under subsection (c) of this section
4 shall be calculated as follows:

5 (1) A credit of three thousand dollars (\$3,000) is allowed a
6 taxpayer in any tax year when a qualifying former offender completes twelve
7 (12) consecutive months of employment with the taxpayer;

8 (2) A credit of two thousand dollars (\$2,000) is allowed a
9 taxpayer in any tax year when a qualifying former offender completes twenty-
10 four (24) consecutive months of employment with the taxpayer; and

11 (3) A credit of one thousand dollars (\$1,000) is allowed a
12 taxpayer in any tax year when a qualifying former offender completes thirty-
13 six (36) consecutive months of employment with the taxpayer.

14 (e) To be eligible for the tax credit stated in this section:

15 (1) The taxpayer shall:

16 (A) Register with the Division of Workforce Services as a
17 participant in The Reboot Pilot Program;

18 (B) At the end of twenty-four (24) months of the
19 qualifying former offender's consecutive employment, enroll the qualifying
20 former offender in the health insurance plan offered by the taxpayer if the
21 taxpayer offers a health insurance plan to other employees;

22 (C) Ensure that each qualifying former offender is
23 randomly drug tested; and

24 (D) Certify to the Department of Finance and
25 Administration the total amount of hours worked by and wages paid to each
26 qualifying former offender employed by the taxpayer in the taxable year for
27 which the taxpayer claims the income tax credit provided under this section;
28 and

29 (2) The qualifying former offender shall:

30 (A) Register with the division as a participant in The
31 Reboot Pilot Program; and

32 (B) Agree to be randomly drug tested.

33 (f)(1) The Department of Finance and Administration may promulgate
34 rules to carry out the provisions of this section.

35 (2) If the Department of Finance and Administration promulgates
36 rules under subdivision (f)(1) of this section, the Department of Finance and

1 Administration shall consult with the Division of Workforce Services, the
2 Department of Human Services, and the Department of Corrections on the
3 content of the rules.

4 (g) The Division of Workforce Services shall not allow more than five
5 hundred (500) qualifying former offenders to be registered under subsection
6 (e) of this section at any given time.

7 (h) The Secretary of the Department of Corrections and the Director of
8 the Division of Workforce Services shall submit to the Legislative Council
9 or, if the General Assembly is in session, the Joint Budget Committee, a
10 quarterly joint report regarding the status of The Reboot Pilot Program,
11 including without limitation:

12 (1) The method that the Department of Corrections and the
13 division are using to track qualifying former offenders;

14 (2) The methods that the Department of Corrections and the
15 division are using to assist qualifying former offenders with gaining
16 employment; and

17 (3) Any issues the Department of Corrections or the division
18 have identified with the administration, implementation, or effectiveness of
19 The Reboot Pilot Program that may be addressed through legislation.

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21 SECTION 3. DO NOT CODIFY. TEMPORARY LANGUAGE. Legislative Council
22 recommendation.

23 On or before three (3) years from the effective date of this act, the
24 Legislative Council shall:

25 (1) Review the effectiveness of The Reboot Pilot Program; and

26 (2) Make a recommendation to the legislature concerning whether
27 The Reboot Pilot Program should be continued.

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29 SECTION 4. DO NOT CODIFY. Rules.

30 (a) When adopting the initial rules required under this act, the
31 Department of Finance and Administration shall file the final rules with the
32 Secretary of State for adoption under § 25-15-204(f):

33 (1) On or before January 1, 2024; or

34 (2) If approval under § 10-3-309 has not occurred by January 1,
35 2024, as soon as practicable after approval under § 10-3-309.

36 (b) The Department of Finance and Administration shall file the

1 proposed rules with the Legislative Council under § 10-3-309(c) sufficiently
2 in advance of January 1, 2024, so that the Legislative Council may consider
3 the rules for approval before January 1, 2024.

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5 SECTION 5. EFFECTIVE DATE. Section 2 of this act is effective for tax
6 years beginning on or after January 1, 2024.

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8 */s/Lundstrum*
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