

State of Arkansas

As Engrossed: H4/15/25

95th General Assembly

A Bill

Regular Session, 2025

SENATE BILL 491

By: Senator K. Hammer

By: Representative Achor

For An Act To Be Entitled

AN ACT TO REQUIRE A VENDOR THAT CONTRACTS WITH THE
EMPLOYEE BENEFITS DIVISION TO SUBMIT DATA FOR
VERIFICATION BY AN INDEPENDENT AUDIT; TO IMPOSE A
CIVIL PENALTY ON A VENDOR THAT PROVIDES INACCURATE
DATA; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO REQUIRE A VENDOR THAT CONTRACTS WITH
THE EMPLOYEE BENEFITS DIVISION TO SUBMIT
DATA FOR VERIFICATION BY AN INDEPENDENT
AUDIT; TO IMPOSE A CIVIL PENALTY ON A
VENDOR THAT PROVIDES INACCURATE DATA;
AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 21-5-404(10), concerning the powers,
functions, and duties of the State Board of Finance concerning contracts with
qualified vendors, is amended to read as follows:

(10)(A) To direct the office to contract with qualified vendors,
as defined by the board, offering the plan options under the program as
prescribed by the board without regard to § 19-11-228 or other statutes
requiring competitive bidding.

(B) Each contract shall:

(i) be ~~be~~ for a term of at least one (1) year but
may be made automatically renewable from term to term in the absence of



1 notice of termination by either party; and

2 (ii) Require a qualified vendor to agree to
3 verification of the vendor's data under § 21-5-425; and

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5 SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended
6 to add an additional section to read as follows:

7 21-5-425. Verification of data of vendor – Independent audit process –
8 Civil penalty – Rules.

9 (a) A vendor that contracts with the *Employee Benefits Division* under
10 this subchapter and a fiscal impact is required shall agree to verify the
11 accuracy of the data the vendor provides to the state.

12 (b) The *division* shall not contract with a vendor for services for the
13 *division* that does not agree to submit to an independent audit process to
14 verify the accuracy of the vendor's data.

15 (c) The Director of the Employee Benefits Division:

16 (1) Shall develop an independent audit process to verify the
17 accuracy of the data a vendor provides to the state; and

18 (2) May request a vendor submit to an independent audit process.

19 (d) A vendor that is found through the independent audit process under
20 subdivision (c)(2) of this section to have provided inaccurate data to the
21 state is subject to:

22 (1) A civil penalty of:

23 (A) Five hundred dollars (\$500) for a first violation; and

24 (B) One thousand dollars (\$1,000) for each subsequent
25 violation; and

26 (2) Loss of licensure or authorization to operate in this state.

27 (e) The director shall promulgate rules to implement this section.

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29 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
30 General Assembly of the State of Arkansas that using accurate data is
31 indispensable when considering the fiscal impact of legislation for this
32 state; that vendors may not provide accurate data and the state needs an
33 independent audit process to enable the state to verify the accuracy of
34 vendor data; and that this act is immediately necessary because it is vital
35 to know the fiscal impact of the passage of legislation to protect the
36 residents of this state. Therefore, an emergency is declared to exist, and

1 this act being immediately necessary for the preservation of the public
2 peace, health, and safety shall become effective on:

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

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

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

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10 */s/K. Hammer*
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