

Stricken language would be deleted from and underlined language would be added to present law.

Act 956 of the Regular Session

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1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

As Engrossed: H4/15/25

## A Bill

SENATE BILL 491

5 By: Senator K. Hammer  
6 By: Representative Achor  
7

### For An Act To Be Entitled

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

### Subtitle

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18 TO REQUIRE A VENDOR THAT CONTRACTS WITH  
19 THE EMPLOYEE BENEFITS DIVISION TO SUBMIT  
20 DATA FOR VERIFICATION BY AN INDEPENDENT  
21 AUDIT; TO IMPOSE A CIVIL PENALTY ON A  
22 VENDOR THAT PROVIDES INACCURATE DATA;  
23 AND TO DECLARE AN EMERGENCY.  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 21-5-404(10), concerning the powers,  
28 functions, and duties of the State Board of Finance concerning contracts with  
29 qualified vendors, is amended to read as follows:

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

34 (B) Each contract shall:

35 (i) be ~~be~~ Be for a term of at least one (1) year but  
36 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

4  
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.

28  
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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13 **APPROVED: 4/21/25**  
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