## Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

## **Act 187 of the Regular Session**

1	State of Arkansas As Engrossed: H2/1/05	
2	85th General Assembly A B111	
3	Regular Session, 2005 HOUSE BILL	1194
4		
5	By: Representative Pritchard	
6	By: Senator J. Taylor	
7		
8		
9	For An Act To Be Entitled	
10	AN ACT TO AMEND ARKANSAS CODE § 17-25-403 TO	
11	DEFINE THE TERM "FINANCIAL OBLIGATIONS" TO	
12	INCLUDE CIVIL PENALTIES; AND FOR OTHER PURPOSES.	
13		
14	Subtitle	
15	AN ACT TO AMEND ARKANSAS CODE § 17-25-	
16	403 TO DEFINE THE TERM "FINANCIAL	
17	OBLIGATIONS" TO INCLUDE CIVIL PENALTIES.	
18		
19		
20	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
21		
22	SECTION 1. Arkansas Code § 17-25-403 is amended to add an addition	ıal
23	subsection to read as follows:	
24	(a)(1) In the event the contractor fails to honor its financial	
25	obligations to the State of Arkansas or to any city, county, school distr	ict,
26	state agency, or other political subdivision of the state, the customer f	or
27	whom the work was being performed shall be responsible for all financial	
28	obligations of the contractor to the State of Arkansas or to any city,	
29	county, school district, state agency, or other political subdivision of	the
30	state, on that customer's project, provided that the customer receives	
31	written notice of the contractor's failure to comply with this subchapter	<del>.</del>
32	prior to final payment to the contractor.	
33	(2) The responsibility of the customer shall not exceed any	
34	amount owed to the contractor on or after the date the customer receives	the
35	written notice.	



1	(3) The written notice shall be sent by certified mail, return
2	receipt requested, and must include the maximum amount of any and all
3	financial obligations the contractor may potentially owe to the State of
4	Arkansas or to any city, county, school district, state agency, or other
5	political subdivision of the state, arising from that customer's project.
6	
7	(b)(l) As used in this section, "financial obligations" include, but
8	are not limited to, civil penalties imposed by the State of Arkansas or any
9	city, county, school district, state agency, or other political subdivision
10	of the state.
11	(2) Civil penalties imposed pursuant to Arkansas Code § 17-25-
12	103(e)(1)(A) and Arkansas Code § 17-25-408 for violations of the provisions
13	of this chapter arise from and are connected to the customer's project and
14	the provisions of this section apply thereto.
15	
16	SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
17	General Assembly that current law applicable to the Contractors Licensing
18	Board does not specify that financial obligations under § 17-25-403 are to
19	include civil penalties imposed by the board; and that the effective
20	operation of the board requires that financial obligations under § 17-25-403
21	include civil penalties. Therefore, an emergency is declared to exist and
22	this act being immediately necessary for the preservation of the public
23	peace, health, and safety shall become effective on:
24	(1) The date of its approval by the Governor;
25	(2) If the bill is neither approved nor vetoed by the Governor,
26	the expiration of the period of time during which the Governor may veto the
27	bill; or
28	(3) If the bill is vetoed by the Governor and the veto is
29	overridden, the date the last house overrides the veto.
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31	/s/ Pritchard
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34	APPROVED: 2/17/2005
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