

1 HB467
2 164976-1
3 By Representatives Scott and Knight
4 RFD: Ways and Means Education
5 First Read: 09-APR-15

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8 SYNOPSIS: This bill would add Article 7 to Chapter 29
9 of Title 40, to the Code of Alabama 1975, to
10 provide for reportable tax avoidance transactions.

11 This bill would provide definitions;
12 taxpayer responsibility for disclosure of
13 reportable tax avoidance transactions; time and
14 manner of disclosure; imposition and amount of
15 penalties, assessment date, and waiver; penalties
16 related to understatement of tax resulting from a
17 reportable tax avoidance transaction, interest
18 penalty, and waiver; extension of statute of
19 limitations for assessments; material advisor
20 responsibility for disclosure; penalty for failure
21 to disclose a reportable tax avoidance transaction
22 or to maintain advisee list and waiver; penalty for
23 tax shelters; and injunction of certain conduct
24 related to reportable tax avoidance transactions
25 and tax shelters.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3
4 To add Article 7, relating to Reportable Tax
5 Avoidance Transactions and Penalties, to Chapter 29 of Title
6 40 of the Code of Alabama 1975.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Article 7 of Chapter 29, Title 40,
9 consisting of Sections 40-29-121 to 40-29-130, inclusive, is
10 added to the Code of Alabama 1975, to read as follows:

11 Title 40, Chapter 29, Article 7.

12 Disclosure of Reportable Tax Avoidance Transactions.

13 §40-29-121.

14 As used in this article, the following words shall
15 have the following meanings:

16 (1) DISQUALIFIED OPINION. An opinion that does any
17 of the following:

18 a. Is based on unreasonable factual or legal
19 assumptions, including assumptions as to future events.

20 b. Unreasonably relies on representations,
21 statements, findings, or agreements of the taxpayer or any
22 other person.

23 c. Does not identify and consider all relevant
24 facts.

25 d. Fails to meet any other requirement as prescribed
26 by either the U.S. Secretary of the Treasury for purposes of
27 the Internal Revenue Code or the commissioner.

1 (2) DISQUALIFIED TAX ADVISOR. A tax advisor that
2 meets any of the following conditions:

3 a. A material advisor who participates in the
4 organization, management, promotion, or sale of the
5 transaction or is related, within the meaning of Internal
6 Revenue Code Section 267(b) or 707(b)(1), to any person who so
7 participates.

8 b. Is compensated directly or indirectly by a
9 material advisor with respect to the transaction.

10 c. A fee arrangement with respect to the transaction
11 which is contingent on all or part of the intended tax
12 benefits from the transaction being sustained.

13 d. As determined under regulations prescribed by
14 either the Secretary of the Treasury for purposes of the
15 Internal Revenue Code or by the commissioner, has a
16 disqualifying financial interest with respect to the
17 transaction.

18 (3) LISTED TRANSACTION. A reportable tax avoidance
19 transaction that is the same as, or substantially similar to
20 any of the following: (a) a transaction or arrangement
21 specifically identified by the commissioner as a tax avoidance
22 transaction through notice, regulation, bulletin, or other
23 form of official department guidance; (b) any reportable tax
24 avoidance transaction that is the same as, or substantially
25 similar to, a transaction or arrangement specifically
26 identified by the U.S. Secretary of the Treasury as a tax
27 avoidance transaction for purposes of Internal Revenue Code

1 Section 6011; or (c) a transaction or arrangement defined as a
2 listed transaction by Section 6707A of the Internal Revenue
3 Code.

4 (4) MATERIAL ADVISOR. Any person who does any of the
5 following:

6 a. Provides any material aid, assistance, or advice
7 with respect to organizing, managing, promoting, selling,
8 implementing, insuring, or carrying out any reportable tax
9 avoidance transaction.

10 b. Directly or indirectly derives gross income in
11 excess of the threshold amount, or the other amount as may be
12 prescribed by the U.S. Secretary of the Treasury for purposes
13 of the Internal Revenue Code, for the advice or assistance.
14 For purposes of this article, the threshold amount includes
15 the following:

16 1. Fifty thousand dollars (\$50,000) in the case of a
17 reportable tax avoidance transaction substantially all of the
18 tax benefits from which are provided to natural persons.

19 2. Two hundred fifty thousand dollars (\$250,000) in
20 any other case.

21 (5) NON-ECONOMIC SUBSTANCE TRANSACTION. Any
22 transaction or arrangement that lacks economic substance, as
23 defined by state or federal law, including a transaction or
24 arrangement in which an entity is disregarded as lacking a
25 valid non-tax state business purpose.

26 (6) REPORTABLE TAX AVOIDANCE TRANSACTION. Any
27 transaction or arrangement with respect to which information

1 is required to be included with a state return or statement
2 because, as determined under regulations prescribed pursuant
3 to this article, the transaction or arrangement is of a type
4 which includes all of the following:

5 a. The commissioner determines as having a potential
6 for avoidance or evasion of the tax imposed by Chapter 16 or
7 18 of this title, whether through deduction or credit, the
8 excludability or omission of any income, the manipulation of
9 any allocation or apportionment rule, or the securing of any
10 other tax benefit.

11 b. Is carried out through or invested in by at least
12 one entity or person that is organized in this state, doing
13 business in this state, deriving income from sources in this
14 state, subject to tax, or is otherwise subject to the
15 jurisdiction of this state. A reportable tax avoidance
16 transaction includes, but is not limited to, any transaction
17 or arrangement described in the U.S. Treasury Regulations
18 Section 1.6011-4(b), a listed transaction as defined in this
19 article, or a non-economic substance transaction as defined in
20 this article. A "reportable tax avoidance transaction" does
21 not include any transaction identified by the commissioner
22 through notice, regulation, bulletin, or other form of
23 official department guidance as not constituting a tax
24 avoidance transaction.

25 (7) TAX SHELTER. A partnership or any other entity,
26 any investment plan or arrangement, or any other plan or
27 arrangement, if a significant purpose of the partnership,

1 entity, plan, or arrangement is the avoidance of state or
2 federal income tax.

3 §40-29-122.

4 (a) For each tax year in which a taxpayer, or a
5 member of a federal consolidated group of which a taxpayer is
6 a member, has participated in a reportable tax avoidance
7 transaction, including a listed transaction, the taxpayer
8 shall disclose the transaction as provided in this section. In
9 addition, for each tax year in which a taxpayer, or a member
10 of a federal consolidated group of which a taxpayer is a
11 member, is required to make a disclosure statement under
12 Treasury Regulations Section 1.6011-4 with respect to a
13 reportable tax avoidance transaction, including a listed
14 transaction, in which the taxpayer participated, the taxpayer
15 shall file a copy of the disclosure with the department as
16 provided in subsection (b).

17 (b) Reportable tax avoidance transactions, including
18 listed transactions, shall be disclosed in the manner
19 prescribed in Treasury Regulations Section 1.6011-4 and
20 department rules and regulations. With respect to a reportable
21 tax avoidance transaction, including a state or federal listed
22 transaction, entered into after December 31, 2014, disclosure
23 shall be attached to the taxpayer's original and any amended
24 state income tax return for the tax year during which the
25 transaction was entered into and to the original and any
26 amended state income tax return for any later tax year which
27 reflects a reduction in tax resulting from the reportable or

1 listed transaction, including a loss, deduction, or credit
2 which is being carried forward or back and which resulted from
3 the transaction. Disclosure of a reportable tax avoidance
4 transaction entered into after December 31, 2014, shall also
5 be attached to any amended state income tax return filed after
6 December 31, 2014, where the filing reflects a determination
7 by the Internal Revenue Service of the federal tax treatment
8 of the reportable tax avoidance transaction.

9 c. The provisions of this article shall apply to any
10 reportable tax avoidance transaction entered into after
11 December 31, 2014, for any tax year or years for which the
12 transaction remains undisclosed, and for which the statute of
13 limitations on assessment, taking into account the extension
14 provided under Section 40-29-125, has not expired as of 60
15 days after the effective date of this article.

16 §40-29-123.

17 (a) Any person who fails to include on any return or
18 statement any information with respect to a reportable tax
19 avoidance transaction which is required pursuant to Section
20 40-29-122, to be included with the return or statement shall
21 pay a penalty, in addition to any other penalty imposed, in
22 the amount determined under subparagraph 2.

23 1. Except as provided in subparagraph 2, the amount
24 of the penalty imposed pursuant to this subsection shall be
25 ten thousand dollars (\$10,000) in the case of a natural
26 person, and fifty thousand dollars (\$50,000) in any other
27 case. After imposition of the penalties, the commissioner may

1 impose additional penalties up to and including 10 percent of
2 the taxpayer's tax benefit from the reportable or listed
3 transaction as determined by the commissioner.

4 2. The amount of penalty under subparagraph 1 with
5 respect to a listed transaction shall be one hundred thousand
6 dollars (\$100,000) in the case of a natural person, and two
7 hundred thousand dollars (\$200,000) in any other case. After
8 imposition of the penalties, the commissioner may impose
9 additional penalties up to and including 10 percent of the
10 taxpayer's tax benefit from the reportable or listed
11 transaction as determined by the commissioner.

12 (b) The penalty imposed pursuant to subparagraph 1
13 shall be deemed assessed on the due date of the state income
14 tax return upon or attached to which the disclosure of the
15 reportable tax avoidance transaction was required pursuant to
16 Section 40-29-122 and department rules and regulations.

17 (c) (1) The commissioner may waive or abate all or
18 any portion of any penalty imposed by this section with
19 respect to any violation if:

20 a. The violation is with respect to a reportable tax
21 avoidance transaction other than a listed transaction.

22 b. Rescinding the penalty would promote compliance
23 with the requirements of Chapters 16 and 18 of Title 40, and
24 effective tax administration.

25 (2) Notwithstanding any other law to the contrary,
26 any determination under this subsection may not be reviewed in
27 any judicial, quasi-judicial, or administrative proceeding.

1 (d) The penalty imposed under this section shall
2 apply to any failure to disclose any listed transaction
3 entered into after December 31, 2014, or any other reportable
4 tax avoidance transaction entered into after the effective
5 date of this article, as required by Section 40-29-122 for any
6 tax year or years for which the transaction remains
7 undisclosed, and for which the statute of limitations on
8 assessment, taking into account the extension provided under
9 Section 40-29-125, has not expired as of 60 days after the
10 effective date of this article.

11 §40-29-124.

12 (a) If a taxpayer has a reportable tax avoidance
13 transaction understatement for any taxable year, there shall
14 be added to the tax an amount equal to 20 percent of the
15 amount of the understatement.

16 (1) For purposes of this section, the term
17 "reportable tax avoidance transaction understatement" means
18 the sum of the following:

19 a. The product of all of the following:

20 1. The highest rate of tax imposed under Chapter 16
21 or 18 of Title 40.

22 2. The amount of increase, if any, in state taxable
23 income which results from a difference between the proper tax
24 treatment of an item to which subsection (a) of Section
25 40-29-122 applies and the taxpayer's treatment of the items as
26 shown on the taxpayer's return of tax, including an amended
27 return, provided the amended return is filed prior to the date

1 the taxpayer is first contacted by the department regarding
2 the examination of the tax year for which the amended return
3 is filed. The amount of the increase in state taxable income
4 for a particular tax year shall include the restatement for
5 another tax year to which a loss or deduction is carried
6 forward or carried back that is attributable to the reportable
7 tax avoidance transaction for that year in which the carry
8 forward or carry back of the loss or deduction applies.

9 b. The amount of the decrease, if any, in the
10 aggregate amount of credits which results from a difference
11 between the taxpayers treatment of an item to which this
12 section applies, as shown on the taxpayer's return of tax, and
13 the proper tax treatment of the item.

14 (2) Subsection (a) shall apply to any item which is
15 attributable to all of the following:

16 a. Any listed transaction.

17 b. Any reportable tax avoidance transaction, other
18 than a listed transaction, if a significant purpose of the
19 transaction is the avoidance of evasion of federal or state
20 income tax.

21 (3) Subsection (a) shall be applied by substituting
22 "30 percent" for "20 percent" with respect to the portion of
23 any reportable tax avoidance transaction understatement with
24 respect to which the requirements of subsection (a) are not
25 met.

26 (4) Except as provided in regulations, in no event
27 shall any tax treatment included with an amendment or

1 supplement to a return of tax be taken into account in
2 determining the amount of any reportable tax avoidance
3 transaction understatement if the amendment or supplement is
4 filed after the earlier of the date the taxpayer is first
5 contacted by the commissioner regarding the examination of the
6 return or another date as is specified by the commissioner.

7 (5) The penalty imposed under this section shall be
8 deemed assessed on the due date of the state income tax return
9 which shows the understatement of tax resulting from a
10 reportable tax avoidance transaction to which the penalty
11 relates.

12 (b) (1) For any amended return filed after this
13 article becomes law and before the taxpayer is contacted by
14 the Internal Revenue Service or the department regarding a
15 reportable tax avoidance transaction, there shall be added to
16 any reportable tax avoidance transaction understatement, as
17 determined under subdivision (1) of subsection (a), a penalty
18 in addition to any other applicable penalties, equal to 50
19 percent of the interest assessed under Section 40-1-44 on the
20 reportable tax avoidance transaction understatement for the
21 period beginning on the last date prescribed by law for the
22 payment of the tax, determined without regard to extensions,
23 and ending on the date of payment.

24 (2) If the taxpayer has been contacted by the
25 Internal Revenue Service or the department regarding a
26 reportable tax avoidance transaction, there shall be added to
27 any reportable tax avoidance transaction understatement, as

1 determined under subdivision (1) of subsection (a), a penalty
2 in addition to any other applicable penalties, equal to 100
3 percent of the interest assessed under Section 40-1-44 on the
4 reportable tax avoidance transaction understatement for the
5 period beginning on the last date prescribed by law for the
6 payment of the tax, determined without regard to extensions,
7 and ending on the date the notice of proposed assessment is
8 mailed.

9 (3) The penalty imposed under subsection (b) shall
10 be deemed assessed upon the assessment of the interest by
11 which the penalty is calculated and shall be collected and
12 paid in the same manner as the interest.

13 (c) (1) Except as provided in subdivision (2), the
14 commissioner may waive or abate all or any portion of any
15 penalty imposed by this section with respect to any portion of
16 a reportable tax avoidance transaction understatement if it is
17 shown that the taxpayer had reasonable cause for the portion
18 and acted in good faith with respect to the portion.

19 Notwithstanding any other law to the contrary, any
20 determination by the commissioner pursuant to this subdivision
21 may not be reviewed in any judicial, quasi-judicial, or
22 administrative proceeding.

23 (2) Subdivision (1) shall not apply to any
24 reportable tax avoidance transaction understatement unless:

25 a. The relevant facts affecting the tax treatment of
26 the item are adequately disclosed in accordance with all
27 requirements of Section 40-29-122 and department rules and

1 regulations. A taxpayer failing to fully disclose shall be
2 treated as meeting the requirements of this paragraph if the
3 penalty for that failure to disclose was waived pursuant to
4 subsection (c) of Section 40-29-123.

5 b. There is or was substantial authority for the
6 treatment.

7 c. The taxpayer reasonably believed that the
8 treatment was more likely than not the proper treatment. A
9 taxpayer shall be treated as having a reasonable belief with
10 respect to the tax treatment of an item only if the belief
11 includes all of the following:

12 1. Is based on the facts and law that exist at the
13 time the return which includes the tax treatment is filed.

14 2. Is related solely to the taxpayer's chances of
15 success on the merits of the treatment and does not take into
16 account the possibility that a return will not be audited, the
17 treatment will not be raised on audit, or the treatment will
18 be resolved through settlement if it is raised.

19 3. Does not rely upon the opinion of a disqualified
20 tax advisor or a disqualified opinion.

21 (d) The penalty imposed under 40-29-124 shall apply
22 to any understatement of tax resulting from a listed
23 transaction entered into after December 31, 2014, or from any
24 other reportable tax avoidance transaction entered into after
25 the effective date of this article, in any tax year or years
26 for which the statute of limitations on assessment, taking

1 into account the extension provided under Section 40-29-125,
2 has not expired as of the effective date of this article.

3 §40-29-125.

4 If a taxpayer fails to include on any return or
5 statement for any taxable year any information with respect to
6 a listed transaction as required under Section 40-29-122, the
7 time for assessment of any tax imposed by Chapters 16 and 18
8 of Title 40 with respect to the transaction shall not expire
9 before the date which is two years after the earlier of any of
10 the following:

11 (1) The date on which the commissioner is furnished
12 the information so required.

13 (2) The date that a taxpayer meets the requirements
14 of Section 40-29-127 with respect to a request by the
15 commissioner under subsection (d) of Section 40-29-126
16 relating to the transaction with respect to the taxpayer.

17 §40-29-126.

18 (a) Each material advisor with respect to any
19 reportable tax avoidance transaction shall make a return in
20 the form as the commissioner may prescribe setting forth all
21 of the following:

22 (1) Information identifying and describing the
23 transaction.

24 (2) Information describing any potential tax
25 benefits expected to result from the transaction.

26 (3) All other information as the commissioner may
27 prescribe.

1 In addition, each material advisor who is required
2 to disclose a reportable tax avoidance transaction pursuant to
3 Internal Revenue Code Section 6111 shall file a copy of the
4 disclosure with the department. The return and disclosure
5 shall be filed no later than the date specified by the
6 commissioner.

7 (b) The commissioner may prescribe regulations which
8 provide all of the following:

9 (1) That only one person shall be required to meet
10 the requirements of subsection (a) in cases in which two or
11 more persons would otherwise be required to meet the
12 requirements.

13 (2) Exemptions from the requirements of this
14 section.

15 (c) Each material advisor with respect to any
16 reportable tax avoidance transaction whether or not required
17 to file a return pursuant to this section shall maintain a
18 list identifying each state taxpayer and member of a
19 consolidated return of a state taxpayer with respect to whom
20 the advisor acted as a material advisor with respect to the
21 transaction. This list shall include the same information, and
22 shall be maintained in the same form and manner, as required
23 under the Internal Revenue Code Section 6112, Treasury
24 Regulations Section 301.6112-1, and any additional information
25 or maintenance requirements as the commissioner may by
26 regulation require.

1 (d) Any person required to maintain a list pursuant
2 to subsection (c) shall do all of the following:

3 (1) Make the list available to the commissioner upon
4 written request by the commissioner.

5 (2) Except as otherwise provided by the commissioner
6 by regulation, shall retain any information which is required
7 to be included on the list for seven years.

8 (e) The commissioner may by regulation provide that
9 in cases in which two or more persons are required under
10 subsection (c) to maintain the same list, or portion thereof,
11 only one person shall be required to maintain the list or
12 portion.

13 §40-29-127.

14 (a) If a person who is required to file a return or
15 disclosure pursuant to Section 40-29-126 with respect to any
16 reportable tax avoidance transaction (1) fails to file the
17 return or disclosure on or before the date prescribed
18 therefor, or (2) files false or incomplete information with
19 the commissioner with respect to the transaction, the person
20 shall pay a penalty with respect to the return or disclosure
21 in the amount determined pursuant to subsections (b) and (c).

22 (b) Except as provided in subsection (c), the
23 penalty imposed under subsection (a) with respect to any
24 failure shall be fifty thousand dollars (\$50,000).

25 (c) The penalty imposed under subsection (a) with
26 respect to any listed transaction shall be an amount equal to
27 the greater of two hundred thousand dollars (\$200,000) or 50

1 percent of the gross income derived by the person with respect
2 to aid, assistance, or advice provided with respect to the
3 listed transaction before the date of the return.

4 Additionally, if the disclosure is filed under Section
5 40-29-126, the penalty pursuant to subdivision (1) of
6 subsection (b) of Section 40-29-124 shall be applied by
7 substituting 75 percent for 50 percent in the case of an
8 intentional failure to act as described in subsection (a).

9 (d) If any person who is required to maintain a list
10 pursuant to Section 40-29-126 fails to make the list available
11 to the commissioner upon written request in accordance with
12 subsection (d) of Section 40-29-126 within 20 business days
13 after the date of the request, the person shall pay a penalty
14 of ten thousand dollars (\$10,000) for each day of failure
15 after the 20th day.

16 (e) Each of the penalties imposed by this section
17 shall be in addition to any other applicable penalties.

18 (f) The commissioner may waive all or any portion of
19 any penalty imposed pursuant to this section with respect to
20 any violation of Section 40-29-126 if the violation is with
21 respect to a reportable tax avoidance transaction other than a
22 listed transaction, and waiver of the penalty would promote
23 compliance with the requirements of Chapters 16 and 18 of
24 Title 40 and effective tax administration.

25 (g) Notwithstanding any other law to the contrary,
26 any determination by the commissioner under this section may

1 not be reviewed in any judicial, quasi-judicial, or
2 administrative proceeding.

3 (h) (1) Section 40-29-126 and this section shall
4 apply to reportable tax avoidance transactions, other than
5 listed transactions, with respect to which material aid,
6 assistance, or advice referred to in Sections 6 and 7 is
7 provided after the date of the enactment of this article.

8 (2) Section 40-29-126 and this section shall apply
9 to listed transactions with respect to which material aid,
10 assistance, or advice referred to in this section is provided
11 and which were entered into on or after December 31, 2014, if
12 those transactions become listed transactions at any time.
13 Reporting required under Section 40-29-126 and this section
14 shall be furnished to the commissioner on or before the later
15 of any of the following:

16 a. Sixty days after entering into the transaction.

17 b. Sixty days after the transaction becomes a listed
18 transaction.

19 c. The effective date of this article.

20 §40-29-128.

21 (a) Any person who does all of the following:

22 (1) Organizes or assists in the organization of any
23 of the following:

24 1. Any partnership or other entity.

25 2. Any investment plan or arrangement.

26 3. Any other plan or arrangement.

1 (2) Participates, directly or indirectly, in the
2 sale of any interest in an entity or plan or arrangement
3 referred to in paragraph a.

4 (3) Makes or furnishes or causes another person to
5 make or furnish in connection with the organization or sale
6 any of the following:

7 a. A statement with respect to the allowability of a
8 deduction or credit, the excludability of any income, the
9 manipulation of any allocation or apportionment rule, the
10 securing of any other tax benefit by reason of holding an
11 interest in the entity, or participation in the plan or
12 arrangement which the person knows or has reason to know is
13 false or fraudulent as to any material matter shall pay 50
14 percent of the gross income derived or to be derived from the
15 activity by the person on which the penalty is imposed.

16 b. A gross valuation overstatement as to any
17 material matter shall pay, with respect to each activity
18 described in paragraph a., subdivision (1) of subsection (a),
19 and in addition to any other penalty provided by law, a
20 penalty equal to one thousand dollars (\$1,000) or, if the
21 person establishes that is lesser, 100 percent of the gross
22 income derived or to be derived by the person from the
23 activity. For purposes of the preceding sentence, activities
24 described in paragraph a. of subdivision (1) of subsection (a)
25 with respect to each entity or arrangement shall be treated as
26 a separate activity and participation in each sale described

1 in paragraph b. of subdivision (1) of subsection (a) shall be
2 so treated.

3 (b) The commissioner may waive all or any part of
4 the penalty provided by this section with respect to any gross
5 valuation overstatement on a showing that there was a
6 reasonable basis for the valuation and that the valuation was
7 made in good faith. Notwithstanding any other law to the
8 contrary, any determination by the commissioner pursuant to
9 this subsection may not be reviewed in any judicial,
10 quasi-judicial, or administrative proceeding.

11 (c) No privilege of confidentiality shall apply to
12 any written communication which is:

13 (1) Between a tax practitioner and all of the
14 following:

15 a. Any person.

16 b. Any director, officer, employee, agent, or
17 representative of the person.

18 c. Any other person holding a capital or profits
19 interest in the person.

20 (2) In connection with the promotion of the direct
21 or indirect participation of the person in any tax shelter.

22 (d) The provisions of this section shall apply to
23 activities after the date of the enactment of this article.

24 §40-29-129.

25 (a) Notwithstanding the provisions of Chapter 2A,
26 Title 40, a civil action in the name of the state to enjoin
27 any persons from further engaging in specified conduct may be

1 commenced at the request of the commissioner. Any action under
2 this section shall be brought in the Circuit Court of
3 Montgomery County, Alabama. The court may exercise its
4 jurisdiction over the action separate and apart from another
5 action brought by the state against the person.

6 (b) In any action under this section, if the court
7 finds that the person has engaged in any specified conduct,
8 and that injunctive relief is appropriate to prevent
9 recurrence of the conduct, the court may enjoin the person
10 from engaging in the conduct or in any other activity subject
11 to penalty under this article.

12 (c) For purposes of this section, the term
13 "specified conduct" means any action or failure to take
14 action, which is any of the following:

15 (1) Subject to penalty of this article.

16 (2) In violation of any requirement under
17 regulations issued pursuant to this article.

18 §40-29-130.

19 The provisions of this article, including all
20 internal effective date provisions, shall become effective
21 upon the Governor's signature or this bill, or its otherwise
22 becoming law.

23 Section 2. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.