

1 State of Arkansas
2 83rd General Assembly
3 First Extraordinary Session, 2002
4

Call Item 4

A Bill

HOUSE BILL 1003

5 By: Representatives D. Elliott, Files, Hutchinson, Parks, Minton, Bledsoe, Holt, Womack, Napper
6 By: Senators DeLay, Hunter
7

For An Act To Be Entitled

10 AN ACT TO LIMIT THE EXPENDITURE OF GENERAL
11 REVENUES; TO CREATE THE ARKANSAS RAINY DAY FUND
12 TO BE USED IN THE EVENT OF CONTINUED ECONOMIC
13 DISTRESS DURING FISCAL YEAR 2003 OR THEREAFTER;
14 TO CREATE THE ARKANSAS TAX RELIEF FUND; AND FOR
15 OTHER PURPOSES.

Subtitle

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18 AN ACT TO LIMIT THE EXPENDITURE OF
19 GENERAL REVENUES; TO CREATE THE ARKANSAS
20 RAINY DAY FUND TO BE USED IN THE EVENT
21 OF CONTINUED ECONOMIC DISTRESS DURING
22 FISCAL YEAR 2003 OR THEREAFTER; AND TO
23 CREATE THE ARKANSAS TAX RELIEF FUND.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. (a) There is created on the books of the Treasurer of
29 State, the Auditor of State, and the Chief Fiscal Officer of the State a
30 special revenue fund to be known as the "Arkansas Rainy Day Fund."

31 (b)(1) The fund shall consist of such moneys as are provided under
32 this subsection (b) and shall be used for the purposes set out in this act.

33 (2) All general revenues available to be distributed in a fiscal
34 year in excess of an amount equal to the amount of general revenue
35 distributed by the state in the previous fiscal year, adjusted by the
36 percentage change in the consumer price index of the previous four (4)

1 available quarters, shall instead be transferred by the State Treasurer into
2 the Arkansas Rainy Day Fund.

3 (c)(1)(A) If the Chief Fiscal Officer of the State determines that
4 projected general revenue distributions will not equal the amount of general
5 revenues distributed by the state in the previous fiscal year, adjusted by
6 the percentage change in the consumer price index of the previous four (4)
7 available quarters, then the Governor may cause the transfer from the
8 Arkansas Rainy Day Fund to the General Revenue Fund Account as "general
9 revenues available for distribution" in an amount not to exceed the projected
10 shortfall. No more money shall be transferred than is required to meet the
11 actual shortfall.

12 (B) Prior to causing the transfer, the Governor shall
13 submit the proposal to the Legislative Council for its review.

14 (2)(A) There is created on the books of the Treasurer of State,
15 the Auditor of State, and the Chief Fiscal Officer of the State a special
16 revenue fund to be known as the "Arkansas Tax Relief Fund."

17 (B) If the Rainy Day Fund exceeds an amount equal to ten
18 percent (10%) of general revenues distributed in the previous fiscal year,
19 then any excess above that amount shall be transferred to the Arkansas Tax
20 Relief Fund and shall be used only for the purpose of providing tax relief as
21 may be appropriated by the General Assembly.

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23 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
24 General Assembly that the general revenues of the State of Arkansas have
25 significantly decreased as a result of distressed economic conditions; that a
26 contingency fund should be created and funded for the purpose of adequately
27 maintaining necessary state programs and services; and that this act is
28 immediately necessary in order to adequately fund the Arkansas Rainy Day
29 Fund. Therefore, an emergency is declared to exist and this act being
30 immediately necessary for the preservation of the public peace, health, and
31 safety shall become effective on the date of its approval by the Governor.
32 If the bill is neither approved nor vetoed by the Governor, it shall become
33 effective on the expiration of the period of time during which the Governor
34 may veto the bill. If the bill is vetoed by the Governor and the veto is
35 overridden, it shall become effective on the date the last house overrides
36 the veto.