

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.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

As Engrossed: S3/18/03

# A Bill

SENATE BILL 744

5 By: Senator Horn  
6  
7

## For An Act To Be Entitled

9 AN ACT TO ENSURE THE FUNDING NECESSARY TO  
10 CONSTRUCT AND EQUIP A MODERN PUBLIC HEALTH  
11 LABORATORY; AND FOR OTHER PURPOSES.  
12

### Subtitle

14 AN ACT TO ENSURE THE FUNDING NECESSARY  
15 TO CONSTRUCT AND EQUIP A MODERN PUBLIC  
16 HEALTH LABORATORY.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. This act shall be known and may be cited as the "Department  
23 of Health Public Health Laboratory Act of 2003".  
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25 SECTION 2. It is the purpose of this act to better serve the citizens  
26 of Arkansas by providing for the construction and equipping of a modern  
27 public health laboratory.  
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29 SECTION 3. As used in this act:

30 (1) "Authority" means the Arkansas Development Finance Authority;

31 (2) "Authorizing resolution" means the resolution or resolutions  
32 adopted by the board authorizing the loan;

33 (3) "Board" means the State Board of Health;

34 (4) "Building" means the State Department of Health Building, located  
35 on West Markham Street in Little Rock, Arkansas;

36 (5) "Construction Fund" means the State Department of Health Public



1 Health Laboratory Fund created by this act;

2 (6) "Construct" means to acquire, construct, reconstruct, remodel,  
3 install, and equip any lands, building, structures, improvements, or other  
4 property whether real, personal, or mixed, useful in connection with the  
5 expansion, by any method and manner as may be authorized by law, and in the  
6 case of the acquisition of equipment and other property of a medical,  
7 laboratory, or technical nature by any method as the board or the director  
8 determines to be necessary or desirable to accomplish the power, purposes,  
9 and authorities set forth in this act, and without regard to the provisions  
10 of other laws pertaining to the construction and acquisition of property by  
11 state agencies;

12 (7) "Director" means the Director of the Department of Health;

13 (8) "Renovation" means the renovation and improvement of the building,  
14 including the renovation and alteration of existing properties whether real,  
15 personal, or mixed;

16 (9) "Fees" means the fees generated under this act that represent an  
17 increase to the allowable fees set forth in Arkansas Code § 20-7-123;

18 (10) "Fee revenues" means all revenues derived from the fees;

19 (11) "Laboratory" means a public health laboratory that is a modern  
20 stand alone public health laboratory to be constructed on the existing  
21 Department of Health site located on West Markham Street in Little Rock,  
22 Arkansas;

23 (12) "Loan" means the loan which the board is authorized to effect,  
24 from the authority, by the terms of this act;

25 (13) "Revenue fund" means the State Board of Health Laboratory Revenue  
26 Fund created by this act; and

27 (14) "Revenue loan fund" means the State Board of Health Laboratory  
28 Revenue Loan Fund created by this act.

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30 SECTION 4. (a)(1) The laboratory shall be constructed subject to  
31 approval by the State Board of Health.

32 (2) The board may take such action as may be appropriate for the  
33 renovation of the building and any facilities necessarily related to the  
34 building.

35 (b) Subject to the approval of the board, the plans, specifications,  
36 and estimates of cost for the laboratory and renovation of the building shall

1 be developed by the Director of the Department of Health, and the director is  
2 authorized to employ architects and other like professional and technical  
3 assistance as determined to be necessary for the construction of the  
4 laboratory and renovation of the building.

5 (c) The board and the director may take such action as may be  
6 appropriate for the construction of the laboratory and renovation of the  
7 building and to accomplish the purposes of this act and may engage legal,  
8 technical, and other assistance as necessary.

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10 SECTION 5. (a)(1) To finance the construction of the laboratory and  
11 renovation of the building, the State Board of Health is authorized to enter  
12 into a loan, from the Arkansas Development Finance Authority, in the  
13 principal amount of not more than twenty-six million dollars (\$26,000,000),  
14 under Chapter 5 of Title 15 of the Arkansas Code.

15 (2) The amount and purpose of the loan shall be approved by the  
16 board in an authorizing resolution, copies of which shall be maintained in  
17 the records of the board and of the authority.

18 (b) The loan shall bear interest at a rate determined by the rate of  
19 interest on funds borrowed by the authority to fund the loan, but not to  
20 exceed the lesser of ten percent (10%) per annum or the maximum rate of  
21 interest permitted by the Arkansas Constitution.

22 (c) The loan shall mature over a period of not more than thirty (30)  
23 years.

24 (d) The board and the Director of the Department of Health may execute  
25 and deliver such agreements, instruments, and other undertakings and  
26 writings, and to take such action as may be appropriate to evidence the loan  
27 and the security for the loan, and to carry out the purposes of this act.

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29 SECTION 6. (a) The payment and other obligations of the State Board  
30 of Health under and with respect to the loan shall be secured by a pledge of  
31 the fee revenues, subject to the terms of this act and the reserved power to  
32 release fee revenues as set forth in this act.

33 (b) The loan shall be an obligation of the board only and shall not  
34 constitute an indebtedness for which the faith and credit of the State of  
35 Arkansas or any of its revenues are pledged.

36 (c) The loan shall not be secured by a lien on any land, building, or

1 other property belonging to the State of Arkansas.

2 (d) The loan shall not constitute an indebtedness within the meaning  
3 of any constitutional or statutory limitation.

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5 SECTION 7. (a)(1) Commencing July 1, 2003, and so long as the loan is  
6 outstanding, all fee revenues shall be treated as cash funds and shall not be  
7 deposited in the State Treasury, except as set forth in this act, but shall  
8 be deposited, as and when received, in a bank or banks approved by the State  
9 Board of Health or the Director of the Department of Health, in an account or  
10 accounts of the board designated "State Board of Health Laboratory Revenue  
11 Fund".

12 (2) All monies in the revenue fund shall, commencing on July 1,  
13 2003, and so long as the loan is outstanding, not be subject to the  
14 provisions of Arkansas Code §§ 19-4-801 through 19-4-806 and shall be  
15 deposited, handled, and disbursed as set forth in this act.

16 (b) Monies held in the revenue fund shall, no less frequently than  
17 bimonthly, be withdrawn and deposited as follows and in the following order  
18 of priority:

19 (1) An annual amount sufficient to provide for principal,  
20 interest, servicing fees, and reserve requirements with respect to the loan,  
21 but not to exceed the sum of two million six hundred thousand dollars  
22 (\$2,600,000) per fiscal year:

23 (A) Prior to the commencement of the loan, in the  
24 construction fund; or

25 (B) Beginning upon commencement of the loan, in an account  
26 or accounts of the board, in a bank or banks approved by the board or the  
27 director, designated "State Board of Health Laboratory Revenue Loan Fund";

28 (2) The sum of nine hundred thousand dollars (\$900,000) per  
29 fiscal year to the Public Health Fund;

30 (3) The sum of six hundred thousand dollars (\$600,000) per  
31 fiscal year to the State Health Department Building and Local Grant Trust  
32 Fund; and

33 (4) Any balance remaining shall be distributed fifty percent  
34 (50%) to the Public Health Fund and fifty percent (50%) to the State Health  
35 Department Building and Local Grant Trust Fund.

36 (c)(1) Commencing July 1, 2003, and so long as the loan shall be

1 outstanding, all funds held in the revenue fund, the revenue loan fund, and  
2 the construction fund shall be deemed to be cash funds, shall not be  
3 deposited in the State Treasury and shall be transferred, deposited, and  
4 applied, as set forth in this act, without the necessity of appropriation.

5 (2) All transfers from the revenue fund and the construction  
6 fund shall be made by the director.

7 (3) All transfers from the revenue loan fund shall be made by  
8 the director, or with the approval of the director of the board, or the  
9 Arkansas Development Finance Authority.

10 (d) So long as the loan is outstanding, funds held in the revenue loan  
11 fund shall be used solely for the purpose of paying and providing for  
12 principal of, interest on, and servicing fees, if any, in connection with the  
13 loan and providing for the creation and maintenance of necessary reserves.

14 (e)(1) So long as the loan is outstanding, all fees shall be imposed  
15 and all fee revenues shall be collected and applied as provided in this act.

16 (2) However, particular fees may be reduced or eliminated if  
17 remaining fees are increased or new fees are added to the end that the  
18 aggregate annual amount of fee revenues shall always equal at least three  
19 million dollars (\$3,000,000).

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21 SECTION 8. The proceeds of the loan, other than amounts required to  
22 establish required reserves, to pay interest on the loan for a period not to  
23 exceed one (1) year, or to pay costs of the loan, all of which shall be set  
24 forth in written directions executed by the Director of the Department of  
25 Health, shall be deposited as cash funds in an account of the board  
26 designated "State Board of Health Public Health Laboratory Construction  
27 Fund", and disbursed by the director for the construction of the expansion.

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29 SECTION 9. All monies held at any time in the revenue fund, the  
30 revenue loan fund, and the construction fund shall to the extent feasible be  
31 invested and reinvested, as directed by the Director of the Department of  
32 Health, in direct obligations of or obligations fully guaranteed by the  
33 United States of America, or with the approval of the authority, in mutual  
34 funds composed entirely of direct obligations of or obligations fully  
35 guaranteed by the United States of America.

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1           SECTION 10. (a) The authorizing resolution, and each agreement or  
2 other writing executed and delivered pursuant to it or this act, together  
3 with this act, shall constitute a contract between the State Board of Health  
4 and the Arkansas Development Finance Authority, and the obligations of the  
5 board may be enforced by mandamus or other equitable or legal remedy.

6           (b) The obligations of the board shall be freely assignable by the  
7 authority, provided that the board is notified in writing of the assignment.

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9           SECTION 11. Neither the Director of the Department of Health nor any  
10 member of the State Board of Health shall be personally liable on the loan or  
11 on account of any of the obligations or actions undertaken in connection with  
12 the loan, or for any damages sustained by anyone with respect to the  
13 obligations or actions, unless he or she shall have acted with a corrupt  
14 intent.

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16           SECTION 12. Arkansas Code § 20-7-123(b)(1)(H) through (b)(1)(J),  
17 regarding fees credited to the Public Health Fund, are amended to read as  
18 follows:

19                   (H)(i) A fee of ~~eight dollars (\$8.00)~~ ten dollars (\$10.00)  
20 collected by the state registrar for the making and certification of any  
21 certificate or record other than a death certificate;

22                   (ii) A fee of ~~five dollars (\$5.00)~~ six dollars  
23 (\$6.00) collected for the making and certification of each additional copy of  
24 a certificate or record other than a death certificate;

25                   (I)(i) A fee of ~~eight dollars (\$8.00)~~ ten dollars (\$10.00)  
26 collected by the state registrar for the making and certification of a single  
27 copy of a death certificate; and

28                   (ii) A fee of ~~three dollars (\$3.00)~~ ten dollars  
29 (\$10.00) collected by the state registrar for the making and certification of  
30 each additional copy of a death certificate;

31                   (J)(i) A fee of ~~eight dollars (\$8.00)~~ ten dollars (\$10.00)  
32 collected by the state registrar for an examination and search of the files  
33 for any birth, marriage, divorce, or death record.

34                   (ii) The fee shall be paid prior to searching the  
35 record; and

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1           SECTION 13. EMERGENCY CLAUSE. It is found and determined by the  
2 Eighty-fourth General Assembly that there is a pressing and immediate need  
3 for the construction of a modern public health laboratory; that the Eighty-  
4 third General Assembly increased vital record fees and dedicated those fees  
5 to upgrade the Department of Health's computer system; that those fees,  
6 pursuant to Arkansas Code § 20-7-123(b)(1)(L), will sunset when one million  
7 eight hundred thousand dollars (\$1,800,000) has been deposited in the Health  
8 Department Technology fund; that this act must become effective immediately  
9 upon the implementation of Arkansas Code § 20-7-123(b)(1)(L). Therefore, an  
10 emergency is declared to exist and this act being immediately necessary for  
11 the preservation of the public peace, health, and safety shall become  
12 effective on:

- 13                   (1) The date of its approval by the Governor;  
14                   (2) If the bill is neither approved nor vetoed by the Governor,  
15 the expiration of the period of time during which the Governor may veto the  
16 bill; or  
17                   (3) If the bill is vetoed by the Governor and the veto is  
18 overridden, the date the last house overrides the veto.

/s/ Horn

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