

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

1 State of Arkansas

As Engrossed: S6/10/02 S6/11/02

Call Item 4

2 83rd General Assembly

# A Bill

Act 2 of 2002

3 First Extraordinary Session, 2002

SENATE BILL 2

4

5 By: Senators Beebe, P. Malone, Hoofman, Hill, Gwatney, Miller, D. Malone, Bryles, Wilkinson, Everett,

6 Argue, Gullett, K. Smith, Wooldridge, Critcher, B. Walker, Faris, Wilkins, J. Jeffress, Cash, Brown,

7 Horn, Fitch, Simes, Mahony, B. Johnson, T. Smith, *Hunter, Bisbee, Baker*

8 By: Representatives Broadway, French, Cleveland, Bevis, Salmon, Teague, Jacobs, McMellon, M.

9 Steele, Creekmore, Lendall, Adams, Cowling, Clemons, Rankin, Boyd, House, Hathorn, Napper,

10 Borhauer, Ledbetter, Jones, R. Smith, Biggs, Prater, Thomas, W. Walker, Lewellen, White, Fite,

11 Roebuck, Dees, Bookout, T. Steele, Carson, Judy, Shoffner, Oglesby, Seawel, Mack, Mathis, Bolin,

12 Hausam, Dangeau, Pritchard, Ormond, *Magnus, King, Scrimshire, C. Johnson, Holt, Duggar, Ferguson,*

13 *Childers, Goss*

14

15

16

## For An Act To Be Entitled

17

AN ACT TO CREATE AN ARKANSAS RAINY DAY FUND; TO

18

MAKE MONEYS IMMEDIATELY AVAILABLE TO SUSTAIN THE

19

STATE MEDICAID PROGRAM AT ITS PRESENT LEVEL OF

20

SERVICE; AND FOR OTHER PURPOSES.

21

22

## Subtitle

23

CREATE ARKANSAS RAINY DAY FUND AND

24

MAINTAIN MEDICAID SERVICES.

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26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

32 (b) The fund shall consist of such funds as appropriated by the  
33 General Assembly and tobacco proceeds as set out by law.

34

35 SECTION 2. Arkansas Code 19-12-108(c), concerning distribution of funds  
36 from the Tobacco Settlement Program Fund to the various Program Accounts, is



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1 amended to read as follows:

2 (c) Amounts deposited to the Tobacco Settlement Program Fund shall,  
3 prior to the distribution to the Program Accounts set forth in § 19-12-  
4 108(d)(1), be held and invested in investments pursuant to and in compliance  
5 with § 19-12-103(c); provided that all such investments must mature, or be  
6 redeemable without penalty, on or prior to the next succeeding June 30.

7

8 SECTION 3. Arkansas Code 19-12-108(d), concerning the methods for  
9 transferring of funds from the Tobacco Settlement Program Fund to the various  
10 Program Accounts, is amended to read as follows:

11 (d)(1) On each July 1, the amounts deposited into the Tobacco  
12 Settlement Program Fund excluding investment earnings shall be transferred to  
13 the various Program Accounts, as follows:

14 ~~(1) thirty one and six tenths per cent (31.6%) of amounts in the~~  
15 ~~Tobacco Settlement Program Fund shall be transferred to the Prevention and~~  
16 ~~Cessation Program Account;~~

17 ~~(2)(A)~~ fifteen and eight-tenths per cent (15.8%) of  
18 amounts in the Tobacco Settlement Program Fund shall be transferred to the  
19 Targeted State Needs Program Account;

20 ~~(3)(B)~~ twenty-two and eight-tenths per cent (22.8%) of  
21 amounts in the Tobacco Settlement Program Fund shall be transferred to the  
22 Arkansas Biosciences Institute Program Account; and

23 ~~(4)(C)~~ twenty-nine and eight-tenths per cent (29.8%) of  
24 amounts in the Tobacco Settlement Program Fund shall be transferred to the  
25 Medicaid Expansion Program Account.

26 (2)(A) Beginning July 1, 2002, the Prevention and Cessation  
27 Program Account may receive loans from the Budget Stabilization Trust Fund  
28 from time to time in amounts determined by the Chief Fiscal Officer of the  
29 State which shall not exceed thirty-one and six-tenths per cent (31.6%) of  
30 the amounts estimated to be received in the Tobacco Settlement Program Fund  
31 during the current fiscal year.

32 (B) The loans shall be repaid from thirty-one and six-  
33 tenths per cent (31.6%) of amounts received in the Tobacco Settlement Program  
34 Fund during the fiscal year in which the loans are made. The loans shall be  
35 repaid prior to the end of the fiscal year. After the loans have been repaid,  
36 the Prevention and Cessation Program Account shall be transferred the

1 difference between thirty-one and six-tenths per cent (31.6%) of amounts  
 2 received in the Tobacco Settlement Program Fund during the fiscal year in  
 3 which the loans are made and the amount of the loans.

4  
 5 SECTION 4. Arkansas Code 19-12-108(e)(1), concerning redeposit of funds  
 6 from the various Program Accounts to the Tobacco Settlement Program Fund, is  
 7 amended to read as follows:

8 (e)(1) All moneys distributed to the Program Accounts set forth in  
 9 subdivision (d)(1) above and remaining at the end of each fiscal biennium  
 10 shall be transferred to the Tobacco Settlement Program Fund by the State  
 11 Board of Finance. Such amounts will be held in the Tobacco Settlement  
 12 Program Fund and combined with amounts deposited to such Fund from the annual  
 13 NSA Disbursements, and then redeposited on July 1 pursuant to the formula set  
 14 forth in § 19-12-108(d)(1).

15  
 16 SECTION 5. Arkansas Code 19-12-109 is amended to read as follows:

17 19-12-109. Creation of Prevention and Cessation Program Account.

18 (a) There is hereby created a trust fund on the books of the Treasurer  
 19 of State, Auditor of State and Chief Fiscal Officer of the State within the  
 20 Tobacco Settlement Program Fund maintained by the State Board of Finance an  
 21 account to be known as the "Prevention and Cessation Program Account." Such  
 22 account shall be used by the Arkansas Department of Health for such purposes  
 23 and in such amounts as may be appropriated in law.

24 ~~(b) On each July 1, there shall be transferred from the Tobacco~~  
 25 ~~Settlement Program Fund to the Prevention and Cessation Program Account the~~  
 26 ~~amount specified in § 19-12-108(d)(1).~~

27 ~~(e)(b)~~ All moneys deposited to the Prevention and Cessation Program  
 28 Account except for investment earnings shall be used for the purposes set  
 29 forth in § 19-12-113 or such other purposes as may be appropriated in law.

30 ~~(d)(c)~~ Moneys remaining in the Prevention and Cessation Program  
 31 Account at the end of the first fiscal year of a biennium shall be carried  
 32 forward and used for the purposes provided by law. Such amounts that remain  
 33 at the end of a biennium shall be transferred to the Tobacco Settlement  
 34 Program Fund pursuant to § 19-12-108(e).

35  
 36 SECTION 6. Arkansas Code 19-12-110(b), concerning creation of the

1 Targeted State Needs Program Account, is amended to read as follows:

2 (b) On each July 1, there shall be transferred from the Tobacco  
3 Settlement Program Fund to the Targeted State Needs Program Account the  
4 amount specified in § 19-12-108(d)~~(2)~~(1)(A).

5

6 SECTION 7. Arkansas Code 19-12-111(b), concerning creation of the  
7 Arkansas Biosciences Institute Program Account, is amended to read as  
8 follows:

9 (b) On each July 1, there shall be transferred from the Tobacco  
10 Settlement Program Fund to the Arkansas Biosciences Institute Program Account  
11 the amount specified in § 19-12-108(d)~~(3)~~(1)(B).

12

13 SECTION 8. Arkansas Code 19-12-112(b), concerning creation of the  
14 Medicaid Expansion Program Account, is amended to read as follows:

15 (b) On each July 1, there shall be transferred from the Tobacco  
16 Settlement Program Fund to the Medicaid Expansion Program Account the amount  
17 specified in § 19-12-108(d)~~(4)~~(1)(C).

18

19 SECTION 9. TRANSFER. On the effective date of this act and throughout  
20 the fiscal year ending June 30, 2003 the Chief Fiscal Officer of the State  
21 may, as directed by the Governor, transfer from the Tobacco Settlement  
22 Program Fund thirty-one and six-tenths per cent (31.6%) of amounts scheduled  
23 in the Master Settlement Agreement to be received in the Tobacco Settlement  
24 Program Fund on January 1, 2002 and April 15, 2002 or so much thereof as is  
25 required determined by the Chief Fiscal Officer of the State to the Arkansas  
26 Rainy Day Fund.

27

28 SECTION 10. RAINY DAY UTILIZATION. In the event the Chief Fiscal  
29 Officer of the State lowers the estimate of general revenue available for  
30 distribution under the provisions of the Revenue Stabilization Law, §19-5-101  
31 et seq., in effect on July 1, 2002, or upon certification from the Director  
32 of the Department of Human Services and in such detail as required by the  
33 Chief Fiscal Officer of the State that sufficient funds will not become  
34 available to meet the needs and requirements of the Arkansas Medicaid program  
35 such funds as are available from the Arkansas Rainy Day Fund may be used to  
36 supplement the general revenues that would have otherwise been distributed,

