

"AN ACT TO AMEND ARKANSAS CODE TITLE 15, CHAPTER 5, SUBCHAPTER 2, AND ARKANSAS CODE TITLE 15, CHAPTER 5, SUBCHAPTER 4, TO CREATE AND PROVIDE FOR THE FUNDING OF A SPECIAL FUND TO BE ADMINISTERED BY THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY KNOWN AS THE CORRECTION FACILITIES CONSTRUCTION FUND; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Title 15, Chapter 5, Subchapter 2 is amended by adding a new section to read as follows:

"15-5-213. Correction Facilities Construction Fund. (a) There is established on the books of the Arkansas Development Finance Authority a special, restricted fund to be known as the Correction Facilities Construction Fund. This fund shall be administered in accordance with the provisions of this section.

(b) The Correction Facilities Construction Fund shall receive monies payable from the State Treasurer in accordance with Arkansas Code 15-5-422. All monies deposited in the Correction Facilities Construction Fund and all income, interest and earnings therefrom are declared to be cash funds restricted in their use and dedicated and are to be used solely for acquisition and construction of regional correction facilities for use by the Arkansas Department of Corrections, specifically including a regional correction facility in Chicot County, Arkansas which facility will be leased to and utilized by the Arkansas Department of Corrections.

(c) The Correction Facilities Construction Fund shall be held, and the amounts therein invested, by the Authority only in accordance with this section. The monies in the fund shall be invested by the Authority in accordance with the restrictions established for the Bond Guaranty Reserve Account in Arkansas Code 15-5-407. The fund and the monies therein shall not be a part of the general funds of the Authority subject to claims of the general creditors of the Authority. The fund may be pledged by the Authority upon proper authorization of the board only to secure repayment of obligations of the Authority, the proceeds of which are used to construct or acquire correction facilities as specified in paragraph (b) above.

(d) At such time after twenty years from July 1, 1988, as the Authority no longer has outstanding obligations, the proceeds of which have been used to construct and acquire correction facilities as specified in paragraph (b) above, all amounts remaining in the Correction Facilities Construction Fund shall be paid by the Authority to the State Treasurer."

SECTION 2. Arkansas Code Title 15, Chapter 5, Subchapter 4 is hereby amended by adding a new section to read as follows:

"15-5-422. Monies for Correction Facilities Construction Fund.

(a) The Authority is hereby authorized to accept monies for the Correction Facilities Construction Fund from any source including but not limited to allocations from the State Treasurer as hereinafter provided.

(b) After providing for the exclusion of the interest income classified as special revenues as authorized by 15-41-110 and 27-70-204, the first two million dollars (\$2,000,000) of interest income received each fiscal year by the State Treasurer beginning with the fiscal year commencing July 1, 1988, and ending with the fiscal year ending June 30, 2008, from the investment of

state funds as authorized by the State Treasury Management Law are declared to be cash funds restricted in their use and dedicated and are to be used solely as authorized in Arkansas Code 15-5-213. Such cash funds as received by the State Treasurer shall not be deposited or deemed to be a part of the State Treasury, for purposes of Arkansas Constitution Article 5, 29; Arkansas Constitution, Article 16, 12; Arkansas Constitution, Amendment 20; or any other constitutional or statutory provision. The State Treasurer shall pay such cash funds to the Arkansas Development Finance Authority for depositing those amounts in the Correction Facilities Construction Fund for the purposes authorized by Arkansas Code 15-5-213. The interest earnings transferred directly to the authority are declared to be cash funds restricted in their use and dedicated and to be used solely as authorized in Arkansas Code 15-5-213."

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. The provisions of this Act are hereby declared to be severable. If any provision of this Act should be declared to be invalid or to be inapplicable to any person or circumstance, such determination shall not affect the validity or applicability of the other provisions of this Act.

SECTION 5. The Arkansas Development Finance Authority shall make every effort to study any and all available means to finance the provisions of this Act, specifically including the financing mechanisms of the various State Retirement Systems.

SECTION 6. EMERGENCY. It is hereby found and determined by the General Assembly that the needs of the state for new correction facilities are critical; that it is necessary and desirable that such new facilities be located in various regions of the state and that action must be taken immediately to provide a means for funding construction of such regional correction facilities. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 2/19/88

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