

1 **State of Arkansas**
2 **80th General Assembly**
3 **1st Extraordinary Session, 1995**
4 **By: Joint Budget Committee**
5
6

A Bill

Call Item **11**
ACT 9 OF 1995
SENATE BILL 12

For An Act To Be Entitled

8 "AN ACT TO AMEND A.C.A. §22-3-1210 AND A.C.A. §15-5-213 TO PROVIDE FOR
9 THE PRIVATIZATION OF CORRECTIONAL FACILITIES BY THE DEPARTMENT OF
10 CORRECTION, TO PROVIDE FOR TRANSFER OF FUNDS TO THE DEPARTMENT OF
11 CORRECTION FARM OPERATIONS AND FOR OTHER PURPOSES."
12
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Subtitle

14
15 "AN ACT FOR THE PRIVATIZATION OF CORRECTIONAL FACILITIES."
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Subsection (a) of A.C.A. §22-3-1210 is hereby amended to
20 read as follows:

21 "(a) The principal of and interest on the certificates of indebtedness issued
22 under this subchapter shall be secured, except as stated in subsection (c) (1)
23 herein below, by a lien on and pledge of:"
24

25 SECTION 2. Subsection (c) of A.C.A. §22-3-1210 is hereby amended to
26 read as follows:

27 "(c) (1) Monies described in subsection (a) (2) above are declared to be cash
28 funds restricted in their use and dedicated and are to be used solely as
29 authorized in A.C.A. §15-5-213. The cash funds when received by the
30 Department of Correction shall not be deposited in or deemed to be a part of
31 the State Treasury for purposes of Arkansas Constitution, Article 5, §29;
32 Arkansas Constitution, Article 16, §12; Arkansas Constitution, Amendment 20;
33 or any other constitutional or statutory provision related thereto. The
34 Department of Correction shall pay such cash funds to the Arkansas Development
35 Finance Authority for deposit in the Correction Facilities Privatization
36 Account of the Correction Facilities Construction Fund for the purposes

1 authorized by A.C.A. §15-5-213. The cash funds described in this subsection
2 shall not be subject to appropriation *to the extent required for debt service*.
3 Commencing on the first day of the month next succeeding the issuance of
4 certificates of indebtedness under this subchapter but not before July 1,
5 1983, and so long as any certificates are outstanding under this subchapter,
6 the pledged revenues, except as provided herein, shall be deposited into the
7 State Treasury as and when received by the Department of Correction, by the
8 State Building Services, by state-supported institutions of higher education,
9 or by any other state agency, as the case may be, to the credit of a fund to
10 be designated the "Public Facilities Debt Service Fund".

11 (2) So long as any certificates of indebtedness are outstanding under this
12 subchapter all moneys in the Public Facilities Debt Service Fund shall be used
13 solely for payment and redemption of the outstanding 1977 Bonds and the 1979
14 Bonds, as authorized in this subchapter, for the payment of the principal and
15 interest on the certificates of indebtedness as authorized in this subchapter,
16 for transfer of such amounts designated in Section 1210 Subsection (a) of this
17 subchapter from time to time as deemed necessary by the Chief Fiscal Officer
18 of the State to the Correction Facilities Privatization Account of the
19 Correction Facilities Construction Fund established in A.C.A. §15-5-213 and
20 for the transfer of surplus moneys as defined in the authorizing resolution in
21 the State Treasury for credit to the designated Department of Correction
22 funds, in accordance with the provisions of this subchapter."
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24 SECTION 3. Subsection (c) of A.C.A. §15-5-213 is hereby amended to
25 *add a new subsection to read as follows:*

26 "(c1) There is created within the Correction Facilities Construction Fund an
27 account entitled the Correction Facilities Privatization Account and such
28 account shall receive moneys payable from funds in the Department of
29 Correction as established in A.C.A. §12-27-128, such moneys as are transferred
30 pursuant to A.C.A. §22-3-1210 (c) and such cash funds of the Department of
31 Correction as deemed necessary by the Chief Fiscal Officer for the purposes
32 established herein. All moneys deposited in the Correction Facilities
33 Privatization Account and all income, interest, and earnings therefrom are
34 declared to be cash funds restricted in their use and dedicated to be used
35 solely for acquisition, construction and rehabilitation of correction

1 facilities for use and benefit of the Department of Correction or for payments
2 to private contractors for the use of correction facilities by the Department
3 of Correction. The moneys deposited in the Correction Facilities
4 Privatization Account shall not be subject to the provisions of subsection (d)
5 herein. The Correction Facilities Privatization Account shall not be subject
6 to distribution to the Treasurer of State and such Account shall remain as an
7 account of the Arkansas Development Finance Authority."

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9 SECTION 4. Upon the release of funds as appropriated in section 3(A) of
10 Act 1049 of 1995, such funds may be transferred by warrant to the Department
11 of Correction Farm Fund there to be used for the personal services and
12 operating expenses of the Department of Correction - Farm Operations for the
13 biennial period ending June 30 ,1997.

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15 SECTION 5. LEGISLATIVE INTENT. It is the intent of the General
16 Assembly that any funds disbursed under the authority of the appropriations
17 contained in this Act shall be in compliance with the stated reasons for which
18 this Act was adopted, as evidenced by the Agency Requests, Executive
19 Recommendations and Legislative Recommendations contained in the budget
20 manuals prepared by the Department of Finance and Administration, letters, or
21 summarized oral testimony in the official minutes of the Arkansas Legislative
22 Council or Joint Budget Committee which relate to its passage and adoption.

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24 SECTION 6. CODE. All provisions of this Act of a general and permanent
25 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
26 Code Revision Commission shall incorporate the same in the Code.

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28 SECTION 7. SEVERABILITY. If any provision of this Act or the
29 application thereof to any person or circumstance is held invalid, such
30 invalidity shall not affect other provisions or applications of the Act which
31 can be given effect without the invalid provision or application, and to this
32 end the provisions of this Act are declared to be severable.

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34 SECTION 8. GENERAL REPEALER. All laws and parts of laws in conflict
35 with this Act are hereby repealed.

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SECTION 9. EMERGENCY CLAUSE. It is hereby found and determined by the Eightieth General Assembly meeting in First Extraordinary Session, that the provisions of this Act are of critical importance to the operation, construction, and contracting of correctional facilities and endeavors and that the provisions of this Act are of critical importance to the safety and well being of the people of the State of Arkansas. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health, and safety shall be in full force and effect from and after its passage and approval.

/s/Russ

APPROVED: 10-19-95

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