

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

SENATE BILL 292

5 By: Senator Maloch  
6 By: Representative Lundstrum  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE TRANSFER AND  
10 INVESTMENT AUTHORITY AND DUTIES OF THE TREASURER OF  
11 STATE; TO AMEND THE STATE TREASURY MANAGEMENT LAW; TO  
12 AMEND THE TIME REQUIREMENTS APPLICABLE TO CERTAIN  
13 TRANSFERS OF STATE FUNDS BY THE TREASURER OF STATE;  
14 TO AMEND THE SECURITIES RESERVE FUND; TO DECLARE AN  
15 EMERGENCY; AND FOR OTHER PURPOSES.  
16  
17

## Subtitle

19 TO AMEND THE LAW CONCERNING THE TRANSFER  
20 AND INVESTMENT DUTIES OF THE TREASURER OF  
21 STATE; TO AMEND THE TIME REQUIREMENTS  
22 APPLICABLE TO CERTAIN TRANSFERS OF STATE  
23 FUNDS; AND TO DECLARE AN EMERGENCY.  
24  
25

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

28 SECTION 1. Arkansas Code § 15-41-110(a), concerning interest earned on  
29 game and fish funds, is amended to read as follows:

30 (a) The Treasurer of State shall on the ~~first day of business~~ second  
31 business day that the State Treasury is open after the twenty-fifth day of  
32 the month compute the ~~average daily~~ balance of the Game Protection Fund or  
33 any other funds administered by the Arkansas State Game and Fish Commission  
34 during the preceding month. The Treasurer of State shall transfer on that day  
35 to the Game Protection Fund interest on the ~~average daily~~ balances to be  
36 computed ~~at a rate equivalent to the average rate of interest earned on all~~



1 ~~State Treasury funds invested~~ as authorized under § 19-3-518(d)(4).

2  
3 SECTION 2. Arkansas Code § 19-3-518(b)(1)(B)(xii), concerning  
4 investments of state funds in the State Treasury in securities and bank  
5 certificates of deposit, is amended to read as follows:

6 (xii) Repurchase agreements that are fully  
7 collateralized by ~~direct obligations of the United States Government or the~~  
8 ~~general obligations of a state or political subdivision of a state of the~~  
9 United States securities stated in subdivisions (b)(1)(B)(ii)-(v) of this  
10 section if the repurchase agreement provides for taking delivery of the  
11 collateral directly or through an authorized custodian;

12  
13 SECTION 3. Arkansas Code § 19-3-518(d)(4), concerning investments of  
14 state funds in the State Treasury in securities and bank certificates of  
15 deposit, is amended to read as follows:

16 (4) The State Board of Finance shall establish the method of  
17 computing the participants' rate of return and earning to determine the  
18 distribution to each participant.

19 (5) On the first day of business of the second business day that  
20 the State Treasury is open after the twenty-fifth day of the month, the  
21 Treasurer of State shall+

22 (A) ~~Compute the average daily balance of the interest-~~  
23 ~~bearing fund, including all internal accounts and funds, during the preceding~~  
24 ~~month; and~~

25 (B) ~~Transfer~~ transfer to the participants of the fund  
26 ~~interest on the average daily balance computed at a rate equivalent to the~~  
27 ~~average rate of interest earned on all State Treasury funds invested in~~  
28 ~~fixed income securities and in money market accounts~~ as authorized under this  
29 section during the preceding month less the proportionate share of any  
30 assessments for the expenses of administration.

31  
32 SECTION 4. Arkansas Code § 19-3-521(c)(2), concerning the Securities  
33 Reserve Fund, is amended to read as follows:

34 (2) Interest to be transferred shall be a pro rata share of  
35 total earned interest based on the proportion of the ~~average daily~~ balances  
36 of the total federal funds established for the purpose of holding the State

1 and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., moneys in  
2 trust to the ~~average-daily~~ balances of all investments of the State Treasury.

3  
4 SECTION 5. Arkansas Code § 19-5-905(a)(7), concerning the Securities  
5 Reserve Fund, is amended to read as follows:

6 (7) To distribute:

7 (A) Interest income earned on investment of ~~average-daily~~  
8 balances of the following:

9 (i) The State Highway and Transportation Department  
10 Fund, as authorized by § 27-70-204;

11 (ii) The Game Protection Fund, as authorized by §  
12 15-41-110;

13 (iii) The funds deposited into the State Treasury by  
14 state agencies, boards, and commissions that were previously held as cash  
15 funds in a bank depository or investment depository, as authorized by § 19-3-  
16 518(d); and

17 (iv) State and Local Fiscal Assistance Act of 1972,  
18 31 U.S.C. § 6701 et seq., as authorized by § 19-3-521(c); and

19 (B) Interest income earned from investment of ~~average~~  
20 ~~daily~~ State Treasury balances by any other laws enacted by the General  
21 Assembly;

22  
23 SECTION 6. Arkansas Code § 19-11-301(107), concerning the enumeration  
24 of special revenues, is amended to read as follows:

25 (107) Transfers from the Securities Reserve Fund of interest  
26 earned on the ~~average-daily~~ balance of the State Highway and Transportation  
27 Department Fund, including all internal accounts and funds thereof, as  
28 enacted by Acts 1979, No. 438, § 27-70-204, and all laws amendatory thereto;

29  
30 SECTION 7. Arkansas Code § 27-70-204(a), concerning interest on state  
31 highway department funds, is amended to read as follows:

32 (a) On the ~~first day of business~~ second business day that the State  
33 Treasury is open after the twenty-fifth day of the month, the Treasurer of  
34 State shall compute the ~~average-daily~~ balance of the State Highway and  
35 Transportation Department Fund, including all internal accounts and funds,  
36 including, but not limited to, the State Highway Special Construction

1 Account, the State Aid Road Fund, the State Aid Street Fund, the State  
 2 Highway and Transportation Department Fund, and any other funds administered  
 3 by the Arkansas State Highway and Transportation Department during the  
 4 preceding month and shall transfer on that day to the State Highway and  
 5 Transportation Department Fund interest on the ~~average daily~~ balance to be  
 6 computed ~~at a rate equivalent to the average rate of interest earned on all~~  
 7 ~~State Treasury funds invested~~ as authorized under § 19-3-518(d)(4), excluding  
 8 the interest rate paid on open account deposits, during the preceding month.

9  
 10 SECTION 8. EMERGENCY CLAUSE. It is found and determined by the  
 11 General Assembly that this act amends the investment and transfer authority  
 12 of the Treasurer of State; that this act affects the ability of the Treasurer  
 13 of State to invest and transfer state funds; and that this act should become  
 14 effective as soon as possible to allow for implementation of the new  
 15 provisions to benefit the State of Arkansas. Therefore, an emergency is  
 16 declared to exist, and this act being necessary for the preservation of the  
 17 public peace, health, and safety shall become effective on July 1, 2017.