

ARKANSAS SENATE
93rd General Assembly - Regular Session, 2021
Amendment Form

JBC 04/22/21 (4)

Subtitle of Senate Bill No. 375

AN ACT TO DEFINE THE MONIES TO BE AVAILABLE IN THE RESTRICTED RESERVE FUND; AND TO
ALLOW THAT ADDITIONAL FUNDS MAY BE MADE AVAILABLE FOR STATE AGENCIES AND
INSTITUTIONS APPROPRIATIONS; AND FOR OTHER PURPOSES

Amendment No. 1 to Senate Bill 375

Amend Senate Bill No. 375 as originally introduced:

Page 2, line 17 delete “Restricted Reserve Fund” and substitute the following:

“Restricted Reserve Fund” or the “Rainy Day Fund” as authorized in subsection (a)(2) herein”

AND

Page 2, delete lines 24 and 25 in their entirety and substitute the following:

“shall be transferred to the Rainy Day Fund, on July 1, 2021;”

AND

Page 2, line 31 delete “authorized in Section 3(d)(3)” and substitute “Set-Aside authorized in Section 3(a)(3)(B)”

AND

Page 3, line 16, delete “law; and” and substitute “law.”

AND

Page 3, delete lines 17 through 20 in their entirety

AND



Page 3, Delete SECTION 3 in its entirety and substitute the following:

SECTION 3. DO NOT CODIFY. RESTRICTED RESERVE FUND DISTRIBUTION AND SET-ASIDES. (a) After having transferred or set-aside the obligations as set out in §19-5-202(b)(2)(B)(iii) as determined by the Chief Fiscal Officer of the State, those funds transferred and credited to the Restricted Reserve Fund as authorized in Section 2 of this Act and any current unobligated balances in the Restricted Reserve Fund, the State Treasurer shall first set-aside one hundred seventy one million four hundred and five thousand dollars (\$171,405,000) for the "Restricted Reserve Fund Set-Asides" as enumerated in subsections (a)(1) through (a)(3) of this section, with the exception of (a)(3)(B) Quick Action Closing Fund Carry Forward Set-Aside funds to be made available as authorized in Section 2(a)(3) of this Act.

(1) Notwithstanding other provisions of law as set out in 19-5-1263(c) the Set-Asides authorized in subsections (a)(1)(A) and (B) herein shall require prior approval of the greater of three-fifths (3/5) of the quorum present or a majority of the membership by the Legislative Council during the extended recess, beginning on May 1, 2021, of the 2021 Regular Session or during the interim, or the Joint Budget Committee during a regular session, fiscal session, or extraordinary session of the General Assembly in the vote for the disbursements;

(A) Executive/Legislative 3/5 Vote Set-Aside. For transfers from time to time as determined by the Chief Fiscal Officer of the State, in a sum not to exceed \$133,500,000;

(B) State Police Vehicles 3/5 Vote Set-Aside. For transfers from time to time as determined by the Chief Fiscal Officer of the State for the Division of State Police Fund for State Police Vehicles, in a sum not to exceed \$3,000,000.

(2) Notwithstanding other provisions of law as set out in 19-5-1263(c) the Unallocated Restricted Reserve Majority Vote Set-Aside authorized in subsections (a)(2)(A) herein shall only require a majority affirmative vote as set out in the rules of the Legislative Council during the extended recess, beginning on May 1, 2021, of the 2021 Regular Session or during the interim, or the Joint Budget Committee during a regular session, fiscal session, or extraordinary session of the General Assembly for prior approval of the disbursement;

(A) Unallocated Restricted Reserve Majority Vote Set-Aside. For transfers from time to time as determined by the Chief Fiscal Officer of the State, in a sum not to exceed \$15,000,000.

(3) Notwithstanding other provisions of law the Set-Asides authorized in subsections (a)(3)(A) through (C) herein shall not be subject to the approval requirements set out 19-5-1263(c) and shall only require reporting of the date and amount of transfers;

(A) Economic Stimulus Programs Set-Aside. For transfers from time to time to the Department of Commerce Arkansas Economic Development Commission to fund or fund accounts as determined by the Chief Fiscal Officer of the State for funding for economic stimulus activities throughout the state, in a sum not to exceed \$5,800,000;

(B) Quick Action Closing Fund Carry Forward Set-Aside. To the Economic Development Incentive Quick Action Closing Fund, for incentives to attract new business and economic development to the state, for transfers from time to time from funds made available as authorized in Section 2(a)(3) of this Act;

(C) Department of Correction Lease Payments Set-Aside. For the Department of Correction to the Development and Enhancement Fund or its successor fund or fund accounts or any appropriation authorized by the General Assembly for the Department of Correction debt service payments, in a sum not to exceed \$14,105,000.

(b) The next ten million dollars (\$10,000,000) shall be transferred to the Rainy Day Fund. This transfer to the Rainy Day Fund shall not be subject to the approval requirements set out 19-5-1263(c), however after the funds are transferred to the Rainy Day Fund those funds shall be subject to any requirements set out in law for Rainy Day Fund distributions for reporting or prior approval by the Legislative Council during the extended recess, beginning on May 1, 2021, of the 2021 Regular Session or during the interim, or the Joint Budget Committee during a regular session, fiscal session, or extraordinary session of the General Assembly.

(c) Then all remaining unobligated funds not set-aside, that are transferred or credited to the Restricted Reserve Fund and any future collections, deposits and transfers authorized in Section 2 of this Act shall be transferred and credited to the Long Term Reserve Fund.

(d) On July 1, 2023 any unobligated funds remaining in the Restricted Reserve Fund Set-Asides established in subsection (a) herein shall be transferred to the Long Term Reserve Fund.”

SECTION 4. CODE AMENDMENT. Arkansas Code § 19-5-1262 is repealed.
~~19-5-1262. Rainy Day Fund.~~

~~(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the “Rainy Day Fund”.~~

~~(b) The Rainy Day Fund shall consist of:~~

~~(1) Funds transferred to the Rainy Day Fund from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund;~~

~~(2) Attorney General settlement funds;~~

~~(3) Interagency transfers of funds to the Rainy Day Fund;~~

~~(4) Any revenues provided by law; and~~

~~(5) Any other funds and fund transfers provided for by law.~~

~~(c) The Chief Fiscal Officer of the State shall use the Rainy Day Fund for transfers to:~~

~~(1)(A) Provide funding for one (1) or more appropriations or reappropriations enacted by the General Assembly from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.~~

~~(B) At the time of a transfer under subdivision (c)(1)(A) of this section, the Chief Fiscal Officer of the State shall notify the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, of the transfer of funds, the amount of funds transferred, and the purpose of the transfer; and~~

~~(2) One (1) or more funds or fund accounts authorized by the General Assembly, other than the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, upon prior approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.~~

SECTION 5. EFFECTIVE DATE. Section 4 of this act is effective on and after December 31, 2022 and any remaining unobligated balances in the Rainy Day Fund shall be transferred to the Long Term Reserve Fund at that time.

SECTION 6. CODE AMENDMENT. Arkansas Code § 19-5-406, concerning the transfer of remaining general revenues is amended to read as follows:
19-5-406. Transfer of remaining revenues.

After making the maximum annual allocation as provided for in § 19-5-402:

(1) The first two hundred million shall be distributed as follows:

~~(1)(A)~~ Seventy-five percent (75%) of the remaining general revenues available for distribution during each fiscal year shall be transferred on the last day of business in each calendar month to the General Revenue Allotment Reserve Fund, there to be used for the respective purposes as provided by law; and

~~(2)(B)~~ Twenty-five percent (25%) of the remaining general revenues available for distribution during each fiscal year shall be transferred on the last day of business in each calendar month to the ~~Arkansas Highway Transfer Fund~~ State Highway and Transportation Department Fund.

(2) Any additional revenues available after the distributions in subsection (1) shall be transferred on the last day of business in each calendar month to the General Revenue Allotment Reserve Fund, there to be used for the respective purposes as provided by law."

AND

Page 7, delete SECTION 7 in its entirety and substitute the following:

" SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly that the effectiveness of this Act on the date of its passage and approval is essential to allow transfers which can provide an additional funding mechanism for the operation of state departments, agencies and institutions of higher education, as well as to address unforeseen needs of the state through the disbursement of state funds with the Restricted Reserve Fund as authorized in this Act, and that in the event of an extension of the Session, the delay in the effective date of this Act beyond the date of its passage and approval could work irreparable harm upon the proper transfer of funds, administration and provision of essential governmental programs. 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 the date of its passage and approval.

If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

AND

Appropriately renumber all SECTION numbers of the bill.

The Amendment was read the first time, rules suspended and read the second time and _____

By: Joint Budget Committee
By: Senator J. Dismang
KMW/KMW - 04-22-2021 09:54:14
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Secretary