

ADDENDUM A – Rules of the Arkansas Legislative Council**Act 561 of 2023 – Distribution of Surplus Funds (Restricted Reserve Fund Set-Asides)**

Release or distribution of “Set-Aside” funds requires a request from the Department of Finance and Administration, and prior approval of the Legislative Council by an affirmative vote of the vote thresholds stated below.

A. Requiring an Affirmative Vote of a Majority of the ALC Members Present:

1. Various General Discretionary Majority Vote Set-Aside

B. Requiring the greater of three-fifths of the quorum present or a majority of the ALC membership:

1. Educational Facilities Set-Aside
2. Correctional Facilities Set-Aside
3. State Crime Lab Building Set-Aside
4. Infrastructure Investment and Jobs Act Grants Matching Set-Aside
5. UAMS National Cancer Institute Set-Aside
6. School Safety Set-Aside
7. EBD or Contingency Set-Aside
8. Adequacy Set-Aside
9. Teacher Academy Scholarship Set-Aside

10. Motor Vehicle Set-Aside
11. Education Freedom Account Set-Aside
12. Charter School Facilities Set-Aside
13. Performance Fund Set-Aside
14. Game and Fish Grants Set-Aside
15. Economic Stimulus Programs Set-Aside
16. Human Development Center Master Plan Upgrades Set-Aside
17. State Police Troop School and Recruitment Set-Aside
18. UAPB Land Grant Set-Aside
19. Drug Task Force Set-Aside
20. Teacher Education Program Set-Aside
21. Pregnancy Help Organization Grants Set-Aside
22. Rapid ID DNA Set-Aside

C. Requiring approval of at least two-thirds of the membership of the ALC: [Effective December 14, 2023]
1. Arkansas Reserve Fund Set-Aside

1 State of Arkansas
2 94th General Assembly
3 First Extraordinary Session, 2023
4

Call Item 2

A Bill

SENATE BILL 1

5 By: Senators Hickey, J. Boyd, Crowell, J. Dismang, J. Dotson, Gilmore, Hester, Hill, Irvin, B. Johnson, J.
6 Payton
7 By: Representatives Jean, M. Shepherd, Eaves
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For An Act To Be Entitled

9
10 AN ACT TO CREATE AND TRANSFER FUNDS TO THE ARKANSAS
11 RESERVE FUND SET-ASIDE IN THE RESTRICTED RESERVE FUND
12 TO ALLOW THAT ADDITIONAL FUNDS MAY BE MADE AVAILABLE
13 FOR STATE DEPARTMENTS, AGENCIES, AND INSTITUTIONS;
14 AND FOR OTHER PURPOSES.
15

Subtitle

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18 TO CREATE AND TRANSFER FUNDS TO THE
19 ARKANSAS RESERVE FUND SET-ASIDE IN THE
20 RESTRICTED RESERVE FUND TO ALLOW THAT
21 ADDITIONAL FUNDS MAY BE MADE AVAILABLE
22 FOR STATE DEPARTMENTS, AGENCIES, AND
23 INSTITUTIONS; AND FOR OTHER PURPOSES.
24

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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. DO NOT CODIFY. Arkansas Reserve Fund Set-Aside.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a sub-fund within
31 the Restricted Reserve Fund to be known as the "Arkansas Reserve Fund Set-
32 Aside".

33 (b) Immediately upon the effective date of this act, the Chief Fiscal
34 Officer of the State shall transfer on his or her books and those of the
35 Treasurer of State and the Auditor of the State seven hundred ten million six
36 hundred twelve thousand five hundred eight dollars (\$710,612,508) from the



1 General Revenue Allotment Reserve Fund to the Arkansas Reserve Fund Set-
2 Aside.

3 (c)(1) Notwithstanding other provisions of law under § 19-5-1263,
4 funds in the Arkansas Reserve Fund Set-Aside may be released from time to
5 time to one (1) or more general revenue operating funds or fund accounts, the
6 Miscellaneous Agencies Fund Account, and the State Central Services Fund as
7 set out in subdivisions (c)(2) and (3) of this section.

8 (2)(A) The Chief Fiscal Officer of the State may determine that
9 circumstances exist that require utilization of the Arkansas Reserve Fund
10 Set-Aside.

11 (B) The Chief Fiscal Officer of the State shall gather
12 sufficient financial data that will enable the verification of the existence
13 of adequate circumstances and the amount necessary to address the need to
14 submit a proposed distribution of moneys with documentation of the need and
15 the purpose of the transfer from the Arkansas Reserve Fund Set-Aside to the
16 Legislative Council or, if the General Assembly is in session, the Joint
17 Budget Committee for prior approval.

18 (3)(A) After receiving approval of at least two-thirds (2/3) of
19 the members of the Legislative Council or, if the General Assembly is in
20 session, at least two-thirds (2/3) of the members of the Joint Budget
21 Committee, the Chief Fiscal Officer of the State shall cause the required
22 transfer or transfers under this subsection to be made.

23 (B) The Chief Fiscal Officer of the State shall ensure
24 that the amounts transferred in a fiscal year to the funds and fund accounts
25 in the Revenue Stabilization Law, § 19-5-101 et seq., do not cause the funds
26 released from the Arkansas Reserve Fund Set-Aside when combined with general
27 revenue funding to exceed the maximum allocations authorized in the Revenue
28 Stabilization Law, § 19-5-101 et seq.

29 (d) The General Assembly finds that:

30 (1) Determining the maximum amount of appropriation and funding
31 for a state agency or institution each fiscal year is the prerogative of the
32 General Assembly;

33 (2) Determining the maximum amount of appropriation and funding
34 for a state agency or institution is usually accomplished by delineating the
35 maximum amounts in the appropriation acts for the state agency or institution
36 and in the general revenue allocations authorized for each relevant fund and

1 fund account by amendment to the Revenue Stabilization Law, § 19-5-101 et
2 seq.;

3 (3) The Arkansas Reserve Fund Set-Aside has established
4 procedures for the transfer of funds to various funds and fund accounts for
5 the efficient and effective operation of state government; and

6 (4) It is necessary and appropriate that the General Assembly
7 maintain oversight by requiring prior approval of the Legislative Council or,
8 if the General Assembly is in session, the Joint Budget Committee, as
9 provided in this section.

10 (e)(1) The requirement of approval by the Legislative Council or, if
11 the General Assembly is in session, the Joint Budget Committee, is not a
12 severable part of this section.

13 (2) If the requirement of approval by the Legislative Council or
14 the Joint Budget Committee under this section is ruled unconstitutional by a
15 court of competent jurisdiction, this entire section is void.

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17 SECTION 2. DO NOT CODIFY. Duplicate Acts. If the House and the Senate
18 duplicate bills “to create and transfer funds to the Arkansas Reserve Fund
19 Set-Aside in the Restricted Reserve Fund to allow that additional funds may
20 be made available for State Departments, Agencies, and Institutions” are both
21 enacted and adopted by the General Assembly in the First Extraordinary
22 Session of 2023 in identical form, then the last Act passed or latest
23 expression shall supersede the other.

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26 **APPROVED: 9/14/23**
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