

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

564

By: Senator Nelson, et al

For An Act To Be Entitled

"AN ACT TO MAKE AN APPROPRIATION FOR VARIOUS CONSTRUCTION PROJECTS AT THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES; TO PROVIDE A FUNDING MECHANISM IN ORDER TO FINANCE SUCH PROJECTS; TO LEVY AN ADDITIONAL TAX; AND FOR OTHER PURPOSES."

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

SECTION 1. APPROPRIATIONS. There is hereby appropriated, to the University of Arkansas for Medical Sciences, to be payable from the UAMS Construction Fund Account of the General Improvement Fund, which is hereby created on the books of the State Auditor, State Treasurer and Chief Fiscal Officer of the State, for constructing, equipping, renovating, repairing, landscaping and other associated costs of the following projects in the following amounts:

1) Research Facility	\$ 20,000,000
2) Emergency Room Renovation	2,500,000
3) Anatomy/Morgue Addition	___4,300,000
Total Amount Appropriated	\$ 26,800,000

SECTION 2. FUNDING AND LOAN PROVISIONS. On the effective date of this Act, the Chief Fiscal Officer of the State shall transfer the sum of \$26,800,000 from the Budget Stabilization Trust Fund to the UAMS Construction Fund Account of the General Improvement Fund in order to provide funding for the appropriations made herein. Such transferred amount shall be considered a loan and shall be repaid by the University of Arkansas for Medical Sciences in annual payments at an annual interest rate of two and one-half percent (2½%), with interest to begin on the effective date of this Act. The method of the

loan repayment shall be as provided for by this Act.

SECTION 3. ADDITIONAL TAX LEVIED. (A) In order to assist the University of Arkansas for Medical Sciences in making loan repayments, there is hereby levied an additional tax of four percent (4%) upon the gross receipts derived from mixed drinks sold for on-premises consumption. Beer and wine sales are specifically exempt from the additional tax levied herein including those sales in "wet" or "dry" counties and those beer and wine sales in public or private establishments. The tax shall be remitted the Commissioner of Revenues at such time and in such manner as prescribed by the Commissioner. The tax receipts shall be deposited as special revenues into the State Treasury and credited to the University of Arkansas Medical Center Fund to be used exclusively for making loan repayments for construction projects authorized by this Act. The tax levied herein shall be in effect only from the effective date of this Act through the final loan repayment made by the University of Arkansas for Medical Sciences. This Act gives no additional taxing authority to any municipality. The Chancellor of the University of Arkansas for Medical Sciences shall certify in writing to the Chief Fiscal Officer of the State when the final loan repayment has been made, who shall then notify the Commissioner of Revenues that the tax levied herein has expired. Any monies received after such date shall be deposited in the State Treasury to be credited to the State Central Services Fund.

(B) Beginning two (2) years after any of the Research Facility is in use, twenty-five percent (25%) of the annual increase above such year in federal grant indirect cost reimbursements shall be computed and used exclusively for making loan repayments.

SECTION 4. CALCULATION AND METHOD OF LOAN REPAYMENT. The State Treasurer shall be responsible for calculating and maintaining a record of loan repayments to be made by the University of Arkansas for Medical Sciences and the Arkansas Science and Technology Authority. Loan repayments shall be made on July 1 of each fiscal year until such time as the loan has been repaid. Each annual loan repayment shall consist of the actual net receipts from both the additional tax levied by this Act and the actual amount of indirect cost reimbursements as required by this Act. Annual interest shall be calculated upon the unpaid balance of the loan. Monies deposited into the

University of Arkansas Medical Center Fund and the ASTA Construction Fund Account from the additional tax levied by this Act shall be transferred each July 1 to the Budget Stabilization Trust Fund by the Chief Fiscal Officer of the State. Indirect cost reimbursement monies, as required by this Act, shall be paid each July 1, or as soon thereafter as is practicable, by check to the credit of the Budget Stabilization Trust Fund as a trust fund receipt by the University of Arkansas for Medical Sciences.

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

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

SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Seventh General Assembly that various facilities at the University of Arkansas for Medical Sciences are in dire need of repair in order to meet accreditation standards; that in order to remain competitive with other University Hospitals across the country and to recruit and retain quality faculty, a new research facility is vitally needed; and that the provisions of this Act will provide the necessary financing for the construction and repair of such facilities. 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.