

State of Arkansas

77th General Assembly                      A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM 23

1087

By: Representative Cunningham

For An Act To Be Entitled

"AN ACT TO PROVIDE FOR THE METHOD OF FUNDING THE CONSTRUCTION AND EQUIPPING OF CORRECTION FACILITIES AND REGIONAL JAILS; TO PROVIDE A SOURCE OF REVENUE WHICH WILL ALLOW THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY TO FUND SUCH CONSTRUCTION OF CORRECTION FACILITIES AND REGIONAL JAILS; TO AMEND CERTAIN PROVISIONS OF TITLES 22 AND 27 OF THE ARKANSAS CODE OF 1987, THE PUBLIC FACILITIES FINANCE ACT OF 1983; AND FOR OTHER PURPOSES."

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

SECTION 1. The General Assembly of the state of Arkansas hereby finds and declares that it is critical for the state to find methods to obtain additional correction facilities and regional jails for use by the Arkansas Department of Correction and the cities and counties within the state in order to alleviate severe jail overcrowding. It has also determined that it is in the best interest of the state to provide a means by which the Arkansas Development Finance Authority can finance the construction and equipping of such correction and jail facilities and to provide a source of cash funds to the Authority to be used solely for such purposes.

SECTION 2. Arkansas Code § 22-3-1210(a)(1) is hereby amended to read as follows:

"(1) All revenue derived from payments by the Arkansas Development Finance Authority pursuant to Arkansas Code § 27-32-116(b)(3) which is a portion of the funds received by the Authority from the sale of certificates for the inspection of motor vehicles;"

SECTION 3. Arkansas Code § 22-3-1214(1) is hereby amended to read as

follows:

"(1) All funds held as a debt service reserve fund in the Public Facilities Debt Service Fund pursuant to the provisions hereof and the earnings thereon, shall be applied on or after January 2, 1990, to redeem, to the extent possible, certificates of indebtedness identified as Series B."

SECTION 4. Arkansas Code § 27-32-101 is hereby amended by adding the following new subsection:

"(3) 'Authority' means the Arkansas Development Finance Authority."

SECTION 5. Arkansas Code § 27-32-110(a) is hereby amended to read as follows:

"(a) The department shall administer the program for the inspection of motor vehicles established by the provisions of Arkansas Code §§ 27-32-101 through 27-32-115. The department shall issue permits for and furnish instructions and all necessary forms to official inspection stations for the inspection of motor vehicles as required by this chapter. The department shall obtain all certificates of inspection from the Authority."

SECTION 6. Arkansas Code § 27-32-110(b) is hereby amended to read as follows:

"(b) (1) An annual fee set by regulation of the department shall not exceed fifty dollars (\$50.00) and shall accompany the application for a permit.

(2) If a permit is not issued, one-half (1/2) of the fee shall be returned to the applicant.

(3) The official certificates of inspection and approval shall be obtained from the Authority at a cost of one dollar and twenty-five cents (\$1.25) per certificate. Purchases of the certificates of inspection shall be made through the department and the department shall remit on a monthly basis to the Authority all amounts collected during the preceding month for the purchase of certificates of inspection."

SECTION 7. Arkansas Code § 27-32-116 is hereby amended to read as follows:

"27-32-116. Disposition of Fees.

(a) All fees (other than amounts collected for the purchase of certificates of inspection) collected by the department under this chapter shall be special revenues and shall be deposited in the State Treasury to the credit of the State Police Fund to be used to defray the cost of administering this chapter and for the support of the department as provided by law.

(b) (1) As provided in Arkansas Code § 27-32-110(b)(3) all amounts collected by the department for the purchase of certificates of inspection shall be remitted to the Authority. All amounts derived from the sale of certificates of inspection, whether held by the department or the Authority, shall be cash funds of the Authority, not subject to appropriation and shall be used and applied by the Authority only as provided in this § 27-32-116.

(2) The Authority shall establish in its records a trust fund to be entitled the 'Prison Construction Trust Fund'. All moneys derived by or remitted to, the Authority, from the sale of certificates of inspection shall be deposited to the credit of the Prison Construction Trust Fund. The moneys in the Prison Construction Trust Fund shall not be general funds or revenues of the Authority and shall not be subject to the claims of the general creditors of the Authority.

(3) The Authority shall pay from the Prison Construction Trust Fund into the Public Facilities Debt Service Fund created by Arkansas Code § 22-3-1210 the amount necessary, when added to other funds listed in § 22-3-1210, to pay the next succeeding principal and interest payment for the certificates of indebtedness, but not to exceed twenty-five cents (\$.25) times the number of certificates of inspection sold by the Authority through the department in each six month period. Such payments shall be made by the Authority semiannually two business days prior to each July 1 and January 1 so long as the certificates of indebtedness permitted by the Public Facilities Finance Act of 1983 are outstanding. All such payments by the Authority to the Public Facilities Debt Service Fund shall cease when the certificates of indebtedness have been paid or redeemed.

(4) All other funds in the Prison Construction Trust Fund shall be segregated, held and used by the Authority solely to fund, or to provide for the funding of, the construction and equipping of: (A) correction or prison facilities to be used by the Arkansas Department of Correction; (B) regional jail facilities operated by the Arkansas Department of Correction; or (C) regional jail facilities operated jointly by cities, counties or regional jail

commissions.

(c) The Authority shall be authorized to fund or to provide for the funding of facilities described in subsection (b) (4) (i)-(iii) above by loans, leases, other contracts or the issuance of bonds all in accordance with the provisions of the Arkansas Development Finance Authority Act (Ark. Code §§ 15-5-101 et seq.) and to pledge the cash funds collected by it from the sale of certificates of inspection and deposited in the Prison Construction Trust Fund, after payment of the amounts as specified in subsection (b) (3) above to the repayment of any loans, leases, contracts or bonds.

(d) The Authority shall not fund or provide for the funding of any facility described in subsection (b) (4) above to be operated or utilized by the Arkansas Department of Correction unless the project, the plans therefor and the construction thereof have been reviewed and approved by the Arkansas State Building Services. The authority shall not fund or provide for the funding of any other regional jail facility (not utilized by the Arkansas Department of Correction) unless such project is in compliance with the minimum standards for jail facilities adopted by the state."

SECTION 8. Arkansas Code § 22-3-1215 is hereby repealed.

SECTION 9. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 10. 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 11. EMERGENCY. It is hereby found and determined by the General Assembly that the recent increase in violent crimes in this state has resulted in overcrowding in the prisons and local jails; that this act will provide a funding mechanism for construction of badly needed regional jails and correction facilities; that the proper administration of the provisions of this act requires that it become effective on a day certain. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall become effective January 2, 1990.