

Act 22 of the Third Special Session of 1989.

Act 22

SB39

By: Joint Budget Committee

CALL ITEM 52

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODES 11-9-301, 11-9-303, 11-9-305 AND 11-9-306 TO PROVIDE ADDITIONAL FUNDS FOR THE MAINTENANCE, OPERATION, PERSONAL AND PROFESSIONAL SERVICES OF THE ARKANSAS INSURANCE DEPARTMENT; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 11-9-301(b) is hereby amended to read as follows:

"(b) Except for funds transferred into the General Revenue Fund Account specified in Arkansas Code 11-9-303 as amended by this Act or other sections of this subchapter, no money shall be appropriated from these funds for any purpose except for the use and benefit, or at the direction of, the Workers' Compensation Commission."

SECTION 2. Arkansas Code 11-9-301(e) is hereby amended to read as follows:

"(e) Except for monies transferred into the General Revenue Fund Account specified in Arkansas Code 11-9-303 as amended by this Act or other sections of this subchapter, all monies deposited to the aforementioned funds shall not be subject to any deduction, tax, levy, or any other type of assessment."

SECTION 3. Arkansas Code 11-9-303(c) is hereby amended to read as follows:

"(c) This tax shall be collected by the Insurance Commissioner from the carriers at the same time and in the same manner as provided in the premium tax sections of the law of this State and deposited into the funds

created in 11-9-301. Immediately upon deposit into the funds created in 11-9-301, the Chief Fiscal Officer of this State shall transfer the first one hundred thousand dollars (\$100,000.00) of said taxes into the General Revenue Fund Account used for the maintenance, operation, and support of the State Insurance Department; provided, however, that the total of these transferred funds combined together with the transferred funds provided in Arkansas Code 11-9-305(d) as amended by this Act for the maintenance, operation and support of the State Insurance Department shall not exceed one hundred thousand dollars (\$100,000) in any one (1) fiscal year. Said transfer from the funds created in 11-9-301 shall be in the same proportions that deposits were made into the three (3) funds as set forth in subsections (a) through (c) of Arkansas Code 11-9-306."

SECTION 4. Subsection (d) of Arkansas Code 11-9-305 is hereby amended to read as follows:

"(d) Upon April 1 of each fiscal year, the Chief Fiscal Officer of the State shall cause to be transferred on his books and the books of the State Treasurer and the Auditor of State from the Miscellaneous Revolving Fund and the Workers' Compensation Revolving Fund the first one hundred thousand dollars (\$100,000.00) of those monies deposited therein to the General Revenue Fund Account used for the maintenance, operation, and support of the State Insurance Department; provided, however, that the total of these transferred funds combined together with the transferred funds as provided in Arkansas Code 11-9-303(c) as amended by this Act for the maintenance, operation and support of the State Insurance Department shall not exceed one hundred thousand dollars (\$100,000.00) in any one (1) fiscal year. Said transfers from the Revolving Funds shall be in the same proportions as those certified by the Workers' Compensation Commission to the Insurance Commissioner pursuant to subsections (a) through (c) of Arkansas Code 11-9-306. The Chief Fiscal Officer shall then transfer the balance of monies deposited pursuant of this section from the Miscellaneous Revolving Fund and the Workers' Compensation Revolving Fund to the Second Injury Trust Fund, the Death and Permanent Total Disability Trust Fund, and the Workers' Compensation Fund in those proportions certified by the Worker's Compensation Commission to the Insurance Commissioner on or before December 31 of the prior year. The transfers shall be in lieu of payment by warrants."

SECTION 5. Subdivision (1) of subsection (e) of Arkansas Code 11-9-306 is hereby amended to read as follows:

"(e) (1) The Insurance Commissioner shall notify each insurance carrier of the rate of taxation applicable to each fund for the preceding year, and taxes shall be computed and paid pursuant to the provisions of Arkansas Code 11-9-303 as amended by this Act, on or before April 1 of the following year."

SECTION 6. The provisions of this Act as to premium taxes shall apply to all taxes which are collected during and after calendar year 1989.

SECTION 7. 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 8. 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 9. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 10. EMERGENCY. It is hereby found and determined by the Seventy-Seventh General Assembly, meeting in Third Extraordinary Session, that the current funding of the Arkansas Insurance Department is inadequate; that additional funds are immediately necessary to finance the collection of workers compensation premium taxes by the Insurance Department; and further that this act will provide additional needed funds to the State Insurance Department. Therefore, an emergency is hereby declared to exist and this Act being necessary for the public peace, health and safety shall be in full force and effect from and after the date of its passage and approval.

APPROVED: November 6, 1989

---