

1 State of Arkansas

Call Item 11

2 80th General Assembly

# A Bill

3 1st Extraordinary Session, 1995

SENATE BILL 12

4 By: Joint Budget Committee

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## For An Act To Be Entitled

8 "AN ACT TO AMEND A.C.A. §22-3-1210 AND A.C.A. §15-5-213 TO PROVIDE FOR  
9 THE PRIVATIZATION OF CORRECTIONAL FACILITIES BY THE DEPARTMENT OF  
10 CORRECTION, TO PROVIDE FOR TRANSFER OF FUNDS TO THE DEPARTMENT OF  
11 CORRECTION FARM OPERATIONS AND FOR OTHER PURPOSES."

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## Subtitle

15 "AN ACT FOR THE PRIVATIZATION OF CORRECTIONAL FACILITIES."

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

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19 SECTION 1. Subsection (a) of A.C.A. §22-3-1210 is hereby amended to  
20 read as follows:

21 "(a) The principal of and interest on the certificates of indebtedness  
22 issued under this subchapter shall be secured, except as stated in subsection  
23 (c)(1) herein below, by a lien on and pledge of:"

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25 SECTION 2. Subsection (c) of A.C.A. §22-3-1210 is hereby amended to  
26 read as follows:

27 "(c)(1) Monies described in subsection (a)(2) above are declared to be cash  
28 funds restricted in their use and dedicated and are to be used solely as  
29 authorized in A.C.A. §15-5-213. The cash funds when received by the  
30 Department of Correction shall not be deposited in or deemed to be a part of  
31 the State Treasury for purposes of Arkansas Constitution, Article 5, §29;  
32 Arkansas Constitution, Article 16, §12; Arkansas Constitution, Amendment 20;  
33 or any other constitutional or statutory provision related thereto. The  
34 Department of Correction shall pay such cash funds to the Arkansas  
35 Development Finance Authority for deposit in the Correction Facilities

1 Privatization Account of the Correction Facilities Construction Fund for the  
2 purposes authorized by A.C.A. §15-5-213. The cash funds described in this  
3 subsection shall not be subject to appropriation *to the extent required for*  
4 *debt service.*

5 Commencing on the first day of the month next succeeding the issuance of  
6 certificates of indebtedness under this subchapter but not before July 1,  
7 1983, and so long as any certificates are outstanding under this subchapter,  
8 the pledged revenues, except as provided herein, shall be deposited into the  
9 State Treasury as and when received by the Department of Correction, by the  
10 State Building Services, by state-supported institutions of higher education,  
11 or by any other state agency, as the case may be, to the credit of a fund to  
12 be designated the "Public Facilities Debt Service Fund".

13 (2) So long as any certificates of indebtedness are outstanding under this  
14 subchapter all moneys in the Public Facilities Debt Service Fund shall be  
15 used solely for payment and redemption of the outstanding 1977 Bonds and the  
16 1979 Bonds, as authorized in this subchapter, for the payment of the  
17 principal and interest on the certificates of indebtedness as authorized in  
18 this subchapter, for transfer of such amounts designated in Section 1210  
19 Subsection (a) of this subchapter from time to time as deemed necessary by  
20 the Chief Fiscal Officer of the State to the Correction Facilities  
21 Privatization Account of the Correction Facilities Construction Fund  
22 established in A.C.A. §15-5-213 and for the transfer of surplus moneys as  
23 defined in the authorizing resolution in the State Treasury for credit to the  
24 designated Department of Correction funds, in accordance with the provisions  
25 of this subchapter."

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27 SECTION 3. Subsection (c) of A.C.A. §15-5-213 is hereby amended to  
28 *add a new subsection to read as follows:*

29 "(c1) There is created within the Correction Facilities Construction Fund  
30 an account entitled the Correction Facilities Privatization Account and such  
31 account shall receive moneys payable from funds in the Department of  
32 Correction as established in A.C.A. §12-27-128, such moneys as are  
33 transferred pursuant to A.C.A. §22-3-1210 (c) and such cash funds of the  
34 Department of Correction as deemed necessary by the Chief Fiscal Officer for  
35 the purposes established herein. All moneys deposited in the Correction

1 Facilities Privatization Account and all income, interest, and earnings  
2 therefrom are declared to be cash funds restricted in their use and dedicated  
3 to be used solely for acquisition, construction and rehabilitation of  
4 correction facilities for use and benefit of the Department of Correction or  
5 for payments to private contractors for the use of correction facilities by  
6 the Department of Correction. The moneys deposited in the Correction  
7 Facilities Privatization Account shall not be subject to the provisions of  
8 subsection (d) herein. The Correction Facilities Privatization Account shall  
9 not be subject to distribution to the Treasurer of State and such Account  
10 shall remain as an account of the Arkansas Development Finance Authority."  
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12 SECTION 4. Upon the release of funds as appropriated in section 3(A)  
13 of Act 1049 of 1995, such funds may be transferred by warrant to the  
14 Department of Correction Farm Fund there to be used for the personal services  
15 and operating expenses of the Department of Correction - Farm Operations for  
16 the biennial period ending June 30 ,1997.  
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18 SECTION 5. LEGISLATIVE INTENT. It is the intent of the General  
19 Assembly that any funds disbursed under the authority of the appropriations  
20 contained in this Act shall be in compliance with the stated reasons for  
21 which this Act was adopted, as evidenced by the Agency Requests, Executive  
22 Recommendations and Legislative Recommendations contained in the budget  
23 manuals prepared by the Department of Finance and Administration, letters, or  
24 summarized oral testimony in the official minutes of the Arkansas Legislative  
25 Council or Joint Budget Committee which relate to its passage and adoption.  
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27 SECTION 6. CODE. All provisions of this Act of a general and  
28 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and  
29 the Arkansas Code Revision Commission shall incorporate the same in the Code.  
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31 SECTION 7. SEVERABILITY. If any provision of this Act or the  
32 application thereof to any person or circumstance is held invalid, such  
33 invalidity shall not affect other provisions or applications of the Act which  
34 can be given effect without the invalid provision or application, and to this  
35 end the provisions of this Act are declared to be severable.

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

SECTION 9. EMERGENCY CLAUSE. It is hereby found and determined by the Eightieth General Assembly meeting in First Extraordinary Session, that the provisions of this Act are of critical importance to the operation, construction, and contracting of correctional facilities and endeavors and that the provisions of this Act are of critical importance to the safety and well being of the people of the State of Arkansas. 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.

*/s/Russ*

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