

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003

# A Bill

HOUSE BILL 2189

4  
5 By: Representative R. Smith  
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## For An Act To Be Entitled

8 AN ACT TO EXPAND THE USES OF THE ARKANSAS RAINY  
9 DAY FUND; AND FOR OTHER PURPOSES  
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### Subtitle

12 EXPAND THE USES OF THE ARKANSAS RAINY  
13 DAY FUND  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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19 SECTION 1. Arkansas Code 19-6-486 is amended to read as follows:

20 19-6-486. Arkansas Rainy Day Fund.

21 (a) There is hereby created on the books of the Treasurer of State, the  
22 Auditor of State, and the Chief Fiscal Officer of the State a ~~special revenue~~  
23 fund to be known as the Arkansas Rainy Day Fund.

24 (b) The fund shall consist of such funds as appropriated by the General  
25 Assembly and tobacco proceeds as set out by law, such general revenues as may  
26 be provided by the Revenue Stabilization Law, §19-5-101 et seq. and such  
27 other funds as may be provided by law.

28 (c) (1) The term "general revenues available for distribution" shall have the  
29 same meaning in this section as the term is used in Arkansas Code title 19,  
30 chapter 5, subchapter 2.

31 (2) After determining the amount of general revenues available for  
32 distribution at the end of each month, the State Treasurer shall add the  
33 amount so determined to the total of the general revenues available for  
34 distribution in the preceding months of the then current fiscal year.

35 (3) The total of the general revenues available for distribution for  
36 the full twelve months of the preceding fiscal year shall be subtracted from



1 the sum of the general revenues available for distribution of the current  
 2 fiscal year, less those increased general revenues available for distribution  
 3 of the current fiscal year due solely to enactments of the current General  
 4 Assembly.

5 (4) If the remainder is greater than zero, the State Treasurer shall  
 6 transfer five per cent (5%) of the remainder to the Rainy Day Fund or so much  
 7 thereof as is required to maintain an available balance in the Rainy Day Fund  
 8 as set out herein.

9 (5) The total balance available in the Rainy Day Fund during any month  
 10 shall not exceed an amount equal to two and one-half percent (2-1/2%) of the  
 11 general revenues distributed during the preceding fiscal year.

12 (6) The transfer to the Rainy Day Fund by the State Treasurer shall be  
 13 made prior to distributing the general revenues available for distribution as  
 14 set out in Arkansas Code title 19, chapter 5, subchapter 4 to the various  
 15 funds and fund accounts.

16 (d) Funds available in the Rainy Day Fund may be used only under the  
 17 following conditions and restrictions:

18 (1) by appropriation therefrom by the General Assembly; or

19 (2) a "revenue shortfall" exists as defined as a circumstance when the  
 20 official general revenue projection certified by the Chief Fiscal Officer of  
 21 the State and in effect on July 1 of the current fiscal year is required to  
 22 be reduced by at least five percent (5%) due to changes in economic  
 23 conditions; or

24 (3) a "federal/court mandate" exists as defined as a circumstance when  
 25 mandates or specific requirements of the federal government or federal courts  
 26 require an increase in the general revenues available to a fund or fund  
 27 account above the amount certified for the fund or fund account by the Chief  
 28 Fiscal Officer of the State on July 1 of the current fiscal year and the  
 29 required increase in the current fiscal year on an annual basis is ten  
 30 percent (10%) or more.

31 (e) In the event that the Governor or the Chief Fiscal Officer of the State  
 32 or both determine that circumstances exist that meet the requirements for the  
 33 utilization of the Rainy Day Fund as set out in (d)(1) or (d)(2) of this  
 34 section, the procedures set out below shall apply.

35 (1) When the Chief Fiscal Officer of the State determines that a  
 36 "revenue shortfall" exists, he shall prepare and file written documentation

1 with the Arkansas Legislative Council, the Joint Budget Committee and the  
 2 Legislative Joint Audit Committee. Such documentation shall include:

3 (A) such sufficient financial data that will enable the  
 4 verification of the existence and the amount of the revenue shortfall;

5 (B) a proposed distribution of monies from the Rainy Day Fund to  
 6 one or more funds or fund accounts; and

7 (C) a statement certifying that no other funds are available  
 8 that could be transferred in lieu of the Rainy Day Fund.

9 (2) (A) When the Chief Fiscal Officer of the State determines that a  
 10 "federal/court mandate" exists, he shall prepare and file written  
 11 documentation with the Arkansas Legislative Council, the Joint Budget  
 12 Committee and the appropriate joint interim committee.

13 (B) Such documentation shall include:

14 (i) sufficient documentation that will enable the  
 15 verification of the existence and the amount of funds required under the  
 16 federal/court mandate; and

17 (ii) a written summary of the federal mandate or court  
 18 mandate with the applicable rules, regulations, court order, settlement  
 19 agreement and other documents as deemed appropriate or requested to be  
 20 provided by either committee attached thereto; and

21 (iii) a proposed distribution of monies from the Rainy Day  
 22 Fund to one or more funds or fund accounts; and

23 (iv) a statement certifying that no other funds are  
 24 available that could be transferred in lieu of the Rainy Day Fund.

25 (3) Such documentation as required in this section shall be filed with  
 26 the committees for their review prior to the implementation of the proposed  
 27 distribution.

28 (4) The Chief Fiscal Officer of the State, after having sought prior  
 29 review, shall cause any required transfers to be made on his books and on the  
 30 books of the State Treasurer in such amounts as needed, but not to exceed the  
 31 amount of the revenue shortfall or federal/court mandate whichever is  
 32 applicable, from the Rainy Day Fund to the appropriate funds and fund  
 33 accounts.

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