

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 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 1612

4  
5 By: Representative Pace  
6 By: Senators Bisbee, Hendren

## For An Act To Be Entitled

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10 AN ACT TO LIMIT THE PAYMENT OF PUBLIC FUNDS ON  
11 CONTRACTS EXCEEDING THE INITIAL CONTRACT AMOUNT;  
12 AND FOR OTHER PURPOSES.

## Subtitle

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15 AN ACT TO LIMIT THE PAYMENT OF PUBLIC  
16 FUNDS ON CONTRACTS EXCEEDING THE INITIAL  
17 CONTRACT AMOUNT.

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

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22 SECTION 1. Arkansas Code Title 19, Chapter 11, Subchapter 1 is amended  
23 to add an additional section to read as follows:

24 19-11-104. Prohibition on payment of public funds.

25 (a) As used in this section:

26 (1)(A) "Public funds" means all state-appropriated and cash  
27 funds of state agencies, as defined by applicable law.

28 (B) Public funds do not include:

29 (i) Funds administered by, or under the control of,  
30 state agencies, except public funds; or

31 (ii) Grants, donations, research contracts, and  
32 revenues derived from self-supporting enterprises that are not operated as a  
33 primary function of a state agency and no part of which are deposited in the  
34 State Treasury; and

35 (2) "State agencies" or "state agency" means any agency,  
36 institution, authority, department, board, commission, bureau, council, or



1 other agency of the state supported by cash funds or the appropriation of  
2 state or federal funds, except the following agencies when not procuring any  
3 item subject to Amendment 54 of the Arkansas Constitution:

4 (A) The constitutional departments of the state;

5 (B) The elected constitutional offices of the state;

6 (C) The General Assembly, including the Legislative  
7 Council, Legislative Joint Auditing Committee, and its supporting agencies  
8 and bureaus; and

9 (D) The Arkansas Supreme Court, the Court of Appeals,  
10 circuit courts, prosecuting attorneys, and the Administrative Office of the  
11 Courts.

12 (b) A state agency shall not expend public funds in excess of one  
13 hundred ten percent (110%) of the original contract or purchase price.

14 (c) The prohibition contained in subsection (b) of this section  
15 applies to all contracts and purchases by state agencies involving public  
16 funds regardless of:

17 (1) The type of goods or services purchased; and

18 (2) Whether the contract or purchase is exempt from:

19 (A) The Arkansas Purchasing Law, § 19-11-201, et seq; or

20 (B) Competitive bidding requirements.

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