

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 86th General Assembly
3 Regular Session, 2007
4

A Bill

SENATE BILL 834

5 By: Joint Budget Committee
6
7

For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS REVENUE
9 STABILIZATION LAW; AND FOR OTHER PURPOSES.
10

Subtitle

11 AN ACT TO AMEND THE ARKANSAS REVENUE
12 STABILIZATION LAW OF ARKANSAS.
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16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code §19-5-205(e)(1)(B)(i) concerning sources of
20 special revenue for the State Central Services Fund, is amended to read as
21 follows:

22 (i) Those special revenues as specified in §19-6-301(9), (11), (19),
23 (21), (37), (75), (76), (77), (78), (79), (82), (83), (84), (85), (86), (87),
24 (88), (89), (91), (96), (116), (118), (120), (124), (149), ~~and~~ (188), (231),
25 and eight percent (8%) of those special revenues as set out in § 19-6-301(20)
26 of the Revenue Classification Law, § 19-6-101 et seq.;

27
28 SECTION 2. Arkansas Code §19-5-302(9)(B) concerning sources of special
29 revenue for the Miscellaneous Agencies Fund Account is amended to read as
30 follows:

31 (B) The Miscellaneous Agencies Fund Account shall consist of:

32 (i) Those general revenues as may be provided by law;

33 (ii) Nonrevenue income derived from services provided by the various
34 agencies and programs funded from the Miscellaneous Agencies Fund Account;
35 ~~and~~

36 (iii) Federal reimbursement received on account of eligible expenditures



1 of the various agencies and programs receiving primary support from the
2 Miscellaneous Agencies Fund Account;

3 (iv) Those special revenues as specified in subdivision (233) and that
4 portion of subdivision (201) in §19-6-301 of the Revenue Classification Law,
5 §19-6-101 et seq.; and

6 (v) That portion of forfeited registration fees for beer kegs sold for
7 off-site consumption.

8
9 SECTION 3. Arkansas Code §19-5-302 is amended by adding the following
10 new section concerning the establishment of general revenue funds to read as
11 follows:

12 (14)(A) Arkansas Agriculture Department Fund Account. The Arkansas
13 Agriculture Department Fund Account shall be used for the maintenance,
14 operation, and improvement required by the Arkansas Agriculture Department in
15 carrying out those powers, functions, and duties imposed by law upon the
16 Director of the Arkansas Agriculture Department as set out in Title 25,
17 Chapter 38, or any other duties that may be imposed by law upon the
18 department which were transferred to the department under the provisions of
19 §§25-38-204 -- 25-38-206.

20 (B) The Arkansas Agriculture Department Fund Account shall consist of:

21 (i) Those general revenues as may be provided by law; and

22 (ii) Nonrevenue income derived from services provided by the various
23 divisions of the Arkansas Agriculture Department; and

24 (iii) Federal reimbursement received on account of eligible expenditures by
25 the various programs of the Arkansas Agriculture Department operating from
26 and having appropriations made payable from the fund account; and;

27 (iv) Any other funds as may be provided by law.

28
29 SECTION 4. Arkansas Code §19-5-303(a)(3)(B) concerning sources of
30 special revenue for the University of Arkansas Fund, is amended to read as
31 follows:

32 (B) Those special revenues as set out in §19-6-301(45) and ~~§~~(114), (229)
33 and (232); and

34
35 SECTION 5. Arkansas Code §19-5-303(b)(3)(A) concerning sources of
36 special revenues for the University of Arkansas Medical Center Fund, is

1 amended to read as follows:

2 (A) Those general revenues as may be provided by law, and
 3 (i) Those special revenues as set out in §19-6-301(224); and

4

5 SECTION 6. Arkansas Code §19-5-303(c)(3)(A) concerning sources of
 6 special revenue for the University of Arkansas Fund, is amended to read as
 7 follows:

8 (A) Those general revenues as may be provided by law; and
 9 (i) Those special revenues as set out in §19-6-301(229); and

10

11 SECTION 7. Arkansas Code §19-5-305(b)(7), concerning sources of
 12 revenue for the Public School Fund is amended to read as follows:

13 (7) Twenty-five percent (25%) of additional ~~Additional~~ rental vehicle
 14 tax revenues ~~in excess of two million eight hundred and fifty thousand~~
 15 ~~dollars (\$2,850,000), § 26-52-311(e)(3), §26-52-311(b) and (c),~~ to be used
 16 exclusively for teacher salaries; and

17

18 SECTION 8. Arkansas Code §19-5-306(10)(C), concerning sources of
 19 special revenue for the Department of Human Services Grants Fund Account is
 20 repealed.

21 ~~(10)(C) The Department of Human Services Grants Fund Account shall also~~
 22 ~~consist of fifty percent (50%) of those special revenues as specified in §~~
 23 ~~19-6-301(201), there to be used as set out in § 26-57-1103;~~

24

25 SECTION 9. Arkansas Code §19-5-306(12)(A) is repealed.

26 ~~(12)(A) Department of Human Services Indigent Care Fund Account. The~~
 27 ~~Department of Human Services Indigent Care Fund Account shall be used to~~
 28 ~~partially defray the cost of uncompensated indigent care provided at the~~
 29 ~~Arkansas Children's Hospital and the University of Arkansas for Medical~~
 30 ~~Sciences.~~

31 ~~(B) No transfer shall be made from the Department of Human Services Indigent~~
 32 ~~Care Fund Account to any other fund account or appropriation within the~~
 33 ~~Department of Health and Human Services.~~

34 ~~(C) The Department of Health Services Indigent Care Fund Account shall~~
 35 ~~consist of those general revenues and other such funds as may be appropriated~~
 36 ~~by the General Assembly; and~~

1
 2 SECTION 10. Arkansas Code §19-5-306(13)(A) is amended to read as
 3 follows:

4 ~~(13)~~(12)(A) Child Care and Early Childhood Education Fund Account. The Child
 5 Care and Early Childhood Education Fund Account shall be used for the
 6 maintenance, operation, and improvement required by the Division of Child
 7 Care and Early Childhood Education of the Department of Health and Human
 8 Services in carrying out those functions, powers, and duties as set out in
 9 the Child Care Facility Licensing Act, § 20-78-201 et seq., or other duties
 10 imposed by law upon the Division of Child Care and Early Childhood Education
 11 of the Department of Health and Human Services.

12 (B) The Child Care and Early Childhood Education Fund Account shall consist
 13 of:

- 14 (i) Those general revenues as may be provided by law;
- 15 (ii) Nonrevenue income derived from services provided by the Division of
- 16 Child Care and Early Childhood Education of the Department of Health and
- 17 Human Services; and
- 18 (iii) Any other nonfederal grant-in-aid funds provided by law.

19
 20 SECTION 11. Arkansas Code §19-5-307(b)(1), concerning sources of
 21 special revenue for the Public Health Fund is amended to read as follows:

22 (1) Those special revenues as set out in §19-6-301(65), (68), (69), (80),
 23 (97), (131), (132), (133), (136), (137), (140), (141), (142), (143), (144),
 24 (147), (155), (166), (177), (194), (204), and (205), ~~and (208)~~ and that
 25 portion of § 19-6-301(58) of the Revenue Classification Law, § 19-6-101 et
 26 seq.;

27
 28 SECTION 12. Arkansas Code §19-5-901 is repealed.

29 ~~19-5-901. Escheat Fund.~~

30 ~~(a) There is established on the books of the Treasurer of State, Auditor~~
 31 ~~of State, and the Chief Fiscal Officer of the State a trust fund to be known~~
 32 ~~as the Escheat Fund.~~

33 ~~(b) This fund shall consist of trust fund receipts derived from certain~~
 34 ~~abandoned, unclaimed, forgotten, or lost personal property and shall be used~~
 35 ~~to supplement funds made available to the General Revenue Fund Account of the~~
 36 ~~State Apportionment Fund.~~

1 ~~(c) On June 30 of each fiscal year, the Chief Fiscal Officer of the State~~
 2 ~~shall transfer any balance in the Escheat Fund to the General Revenue Fund~~
 3 ~~Account of the State Apportionment Fund and notify the Treasurer of State and~~
 4 ~~Auditor of State of such transfer.~~

5
 6 SECTION 13. Arkansas Code §19-5-906(a)(3) is amended to read as
 7 follows:

8 (3) The Ad Valorem Tax Fund shall be used to reimburse the
 9 ~~Constitutional Officers Fund and the State Central Services Fund~~ on account
 10 of expenditures made ~~to the Local Audit Division of~~ for local audits by the
 11 Division of Legislative Audit of the Legislative Joint Auditing Committee and
 12 to the appropriate fund or fund account from which the Tax Division of the
 13 Arkansas Public Service Commission and the Assessment Coordination Department
 14 derive their support, there to be used to reimburse such fund or fund account
 15 for expenditures made by the divisions and the department each fiscal year.

16
 17 SECTION 14. Arkansas Code §19-5-928 is amended to read as follows:

18 19-5-928. ~~Insurance Fraud State Insurance Department Criminal~~
 19 ~~Investigation Division Trust Fund.~~

20 (a) There is hereby established on the books of the Treasurer of State,
 21 the Auditor of State, and the Chief Fiscal Officer of the State a fund to be
 22 known as the ~~Insurance Fraud State Insurance Department Criminal~~
 23 ~~Investigation Division Trust Fund.~~

24 (b) Such fund shall consist of those special revenues as specified in
 25 subdivision (191) of § 19-6-301, interest income, grants, refunds, gifts, or
 26 any other resources.

27 (c) The fund shall be used to defray the expenses of the ~~Insurance Fraud~~
 28 ~~State Insurance Department Criminal~~ Investigation Division of the Arkansas
 29 Insurance Department in the discharge of its administrative and regulatory
 30 powers and duties as prescribed by law and as set out in § 23-100-101 et seq.

31
 32 SECTION 15. Arkansas Code §19-5-930(b) is amended to read as follows:

33 (b) This fund shall consist of all moneys appropriated by the General
 34 Assembly to the Hazardous Substance Remedial Action Trust Fund, gifts,
 35 donations, interest earnings, fees on the generation of hazardous waste,
 36 punitive damages, penalties, and any other moneys legally designated, with

1 the exception of those moneys deposited in the Environmental Education Fund
 2 as set out in §8-7-509(d), any moneys remaining in the Emergency Response
 3 Fund as of June 30, 2005, all moneys received as penalties under §§8-4-101 --
 4 8-4-106, 8-4-201 -- 8-4-229, 8-4-301 -- 8-4-313, 8-4-401 -- 8-4-409, 8-6-201
 5 -- 8-6-214, 8-7-201 -- 8-7-226, 8-7-504, and 20-27-1001 -- 20-27-1007, all
 6 costs recovered from the Emergency Response Fund, and all punitive damages
 7 collected pursuant to §8-7-517, there to be administered by the Director of
 8 the Arkansas Department of Environmental Quality as provided in §8-7-509.

9
 10 SECTION 16. Arkansas Code §19-5-963 is repealed.

11 ~~19-5-963. War Memorial Stadium Improvement and Expansion Fund.~~

12 ~~(a) There is hereby established on the books of the Treasurer of State,~~
 13 ~~Auditor of State, and Chief Fiscal Officer of the State a fund to be known as~~
 14 ~~the War Memorial Stadium Improvement and Expansion Fund.~~

15 ~~(b) Such fund shall consist of contributions made through state income~~
 16 ~~tax refund checkoffs, there to be used by the War Memorial Stadium Commission~~
 17 ~~for War Memorial Stadium improvement and expansion purposes, upon~~
 18 ~~appropriation by the General Assembly as set out in § 26-51-433 [repealed].~~

19
 20 SECTION 17. Arkansas Code §19-5-984, concerning sources of special
 21 revenues for the Employment Security Special Fund, is amended to read as
 22 follows:

23 19-5-984. Employment Security Special Fund.

24 (a) There is hereby established on the books of the Treasurer of State,
 25 the Auditor of State, and the Chief Fiscal Officer of the State a fund to be
 26 known as the "Employment Security Special Fund".

27 (b)(1) This fund shall consist of unemployment compensation contribution
 28 interest and penalty payments collected pursuant to §§11-10-716 - ~~11-10-722~~
 29 11-10-723 and the proceeds of the one-twentieth of one percent (.05%)
 30 stabilization tax, §11-10-706(f).

31 (2) The fund shall be used for refunds of interest and penalties
 32 erroneously paid and such other additional purposes necessary to the proper
 33 administration of §11-10-101 et seq., as determined by the Director of the
 34 Arkansas Employment Security Department as set out in §§11-10-716 - ~~11-10-722~~
 35 11-10-723.

36 (c) The director shall report to the Legislative Council on a quarterly

1 basis on all uses of the fund.

2
3 SECTION 18. Arkansas Code §19-5-985(b)(1), concerning sources of
4 special revenues for the Arkansas Medicaid Program Trust Fund, is amended to
5 read as follows:

6 (b)(1) This fund shall consist of all revenues derived from taxes
7 levied on soft drinks sold or offered for sale in Arkansas as provided for in
8 §26-57-901 et seq., there to be used exclusively for the state match of
9 federal funds participation under the Arkansas Medicaid Program; the
10 additional ambulance annual fees as set out in §20-13-212 and those special
11 revenues as specified in subdivision (156) and subdivision (236) of §19-6-
12 301, and amounts collected under §§26-57-604 and 26-57-605 above the
13 forecasted level for insurance premium taxes set by the Chief Fiscal Officer
14 of the State of Arkansas under §10-3-1404(a).

15
16 SECTION 19. Arkansas Code §19-5-1011(a)(1), concerning sources of
17 special revenues for the Crime Information System Fund, is amended to read as
18 follows:

19 (a)(1) The Crime Information System Fund shall consist of those
20 special revenues as specified in subdivision (14), and subdivision (235) of
21 §19-6-301 and fifty percent (50%) of subdivision (176) of §19-6-301 of the
22 Revenue Classification Law, §19-6-101 et seq., allocations of general
23 revenues as authorized by the General Assembly, balances forwarded from the
24 Criminal Justice and Highway Information Fund on July 1, 1981, moneys
25 transferred or deposited from the State Administration of Justice Fund, and
26 such federal grants and aid of reimbursements as may be received.

27
28 SECTION 20. Arkansas Code §19-5-1012 is repealed.

29 ~~19-5-1012. Merit System Fund.~~

30 ~~(a) There is established on the books of the Treasurer of State, Auditor of~~
31 ~~State, and the Chief Fiscal Officer of the State a fund to be known as the~~
32 ~~Merit System Fund.~~

33 ~~—(b) This fund shall consist of moneys received from various~~
34 ~~participating state agencies as required by the federal government.~~

35 ~~(c) It shall be used for the maintenance, operation, improvement, and~~
36 ~~necessary expenses required by the Arkansas Merit System Council.~~

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SECTION 21. Arkansas Code §19-5-1014 is repealed.

~~19-5-1014. Social Services Community Services Fund.~~

~~(a) There is established on the books of the Treasurer of State, Auditor of State, and the Chief Fiscal Officer of the State the Social Services Community Services Fund.~~

~~(b) This fund will be used for deposit of funds received by Arkansas Social Services from local sources for matching federal or combined federal-state funds under Title XX of the Social Security Act.~~

~~(c) These funds shall be transferable as necessary to the appropriate paying accounts within the appropriate division of the Department of Human Services for disbursement.~~

SECTION 22. Arkansas Code §19-5-1033 is repealed.

~~19-5-1033. Juvenile Detention Facilities Capital Grant Fund.~~

~~(a) There is hereby established on the books of the Treasurer of State, Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the Juvenile Detention Facilities Capital Grant Fund.~~

~~(b) Such fund shall consist of moneys transferred from the Children and Family Services Fund Account as determined by the Department of Human Services, Division of Youth Services.~~

SECTION 23. Arkansas Code §19-5-1037 is repealed.

~~19-5-1037. Motion Picture Office Fund.~~

~~(a) There is hereby established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State a fund to be known as the Motion Picture Office Fund.~~

~~(b) Such fund shall consist of those funds transferred to it from the Miscellaneous Revolving Fund, which is reimbursed from the State Apportionment Fund in the amounts equal to one half of one percent (1/2 of 1%) of the total amount of documented expenditures by motion picture production companies as provided for in § 26-4-208, there to be used for all duties and functions of the Motion Picture Office and in lieu of general revenues in the event that assets accruing to the fund exceed the amount appropriated from general revenues for the Motion Picture Office, all within limitations as set out in § 26-4-211.~~

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SECTION 24. Arkansas Code §19-5-1049 is repealed.

~~19-5-1049. Industry and Aerospace Development Fund.~~

~~(a) There is hereby established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State a fund to be known as the Industry and Aerospace Development Fund.~~

~~(b) Such fund shall consist of those funds as may be provided by law, there to be used by the Arkansas Aviation and Aerospace Commission and the Arkansas Economic Development Commission for the development of the aviation and aerospace industry and other industries which qualify for certification by the Arkansas Economic Development Commission in Arkansas.~~

SECTION 25. Arkansas Code §19-5-1058 is repealed.

~~19-5-1058. Delta Service Corps Scholarship Revolving Fund.~~

~~(a) There is hereby established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State a fund to be known as the Delta Service Corps Scholarship Revolving Fund.~~

~~(b) Such fund shall consist of the state share of scholarships for qualified individuals participating in the Delta Service Corps.~~

~~(c)(1) The Director of the Department of Human Services, with the approval of the Governor, may request from the Chief Fiscal Officer of the State a transfer of general revenue funds from the various general revenue fund accounts of the Department of Human Services, in an amount not to exceed three hundred forty thousand five hundred dollars (\$340,500), to provide the state match for scholarships.~~

~~(2) If it is determined that the request for such transfer should be made, the Chief Fiscal Officer of the State shall then initiate the necessary transfer documents to reflect the transfer upon the fiscal records of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State, and the Department of Human Services.~~

SECTION 26. Arkansas Code §19-5-1085(b), concerning sources of revenues for the Judicial Fine Collection Enhancement Fund, is amended to read as follows:

(b) This fund shall consist of the time-payment fees established by §16-13-704, and fees for electronic access to court decisions and other court

1 records, established by §21-6-401(d), there to be used by the Administrative
 2 Office of the Courts for the purchase of computer hardware and software as
 3 set out in § 16-13-712.

4
 5 SECTION 27. Arkansas Code §19-5-1098(b)(1), concerning sources of
 6 revenue for the Breast Cancer Research Fund, is amended to read as follows:

7 (b)(1) This fund shall consist of twenty percent (20%) of those special
 8 revenues as specified in subdivision (192) of §19-6-301, that portion of
 9 those special revenues as specified in §19-6-301(201), and those general
 10 revenues as may be provided by law.

11
 12 SECTION 28. Arkansas Code §19-5-1099(b)(1), concerning sources of
 13 revenue for the Breast Cancer Control Fund, is amended to read as follows:

14 (b)(1) This fund shall consist of that portion as set out in §26-57-
 15 1106 of those special revenues as specified in §19-6-301(192), that portion
 16 of those special revenues as specified in §19-6-301(201), and those general
 17 revenues as may be provided by law.

18
 19 SECTION 29. Arkansas Code §19-5-1126(b) is amended to read as follows:

20 (b) The fund shall consist of ~~the first two million eight hundred~~
 21 ~~fifty thousand dollars (\$2,850,000) of the net revenues derived each year~~
 22 seventy-five percent (75%) of the net revenues derived from the additional
 23 rental vehicle tax as imposed by §26-52-311(b) and (c).

24
 25 SECTION 30. Arkansas Code Title 19, Chapter 5, Subchapter 11 is
 26 amended by adding the following new section concerning the establishment of a
 27 trust fund to read as follows:

28 19-5-1131. Arkansas Fair Housing Commission Trust Fund.

29 (a) There is hereby established on the books of the Treasurer of State,
 30 Auditor of State, and Chief Fiscal Officer of the State a fund to be known as
 31 the "Arkansas Fair Housing Commission Trust Fund".

32 (b) The fund shall consist of funds received by the Arkansas Fair Housing
 33 Commission, administrative or civil penalties levied and collected pursuant
 34 to §16-123-301 et seq., and any other moneys as may be provided by the
 35 General Assembly.

36 (c) This fund shall be used for fair housing education of the public and the

1 operational expenses of the commission, as set out in §§16-123-301 -- 16-123-
 2 348.

3
 4 SECTION 31. Arkansas Code §19-5-1223 is repealed.

5 ~~19-5-1223. Committed to Education Fund.~~

6 ~~(a) There is established on the books of the Treasurer of State, the Auditor~~
 7 ~~of State, and the Chief Fiscal Officer of the State a fund to be known as the~~
 8 ~~"Committed to Education Fund".~~

9 ~~—(b)(1) The fund shall consist of the special motor vehicle license plate~~
 10 ~~design use contribution fee as set out in § 27-15-3503.~~

11 ~~(2) The fund shall be used by the Arkansas Committed to Education Foundation~~
 12 ~~for the purpose of establishing a program for elementary age children to~~
 13 ~~recognize and reward academic and character achievement through technology-~~
 14 ~~based incentives as set out in § 27-15-3503.~~

15
 16 SECTION 32. Arkansas Code Title 19, Chapter 5, Subchapter 12 is
 17 amended by adding the following new sections concerning the establishment of
 18 miscellaneous funds to read as follows:

19 19-5-1230. Arkansas Technology Infrastructure Fund.

20 (a) There is created on the books of the Treasurer of State, Auditor of
 21 State, and Chief Fiscal Officer of the State a fund to be known as the
 22 "Arkansas Technology Infrastructure Fund".

23 (b) The fund shall consist of savings that accrue to state agencies from
 24 reductions in the cost of providing services to citizens as a result of
 25 employing technology, grants, gifts, and donations received by this state,
 26 agency investments toward enterprise projects and such revenues as may be
 27 authorized by law.

28 (c) This fund shall be used to encourage state agencies to pursue innovative
 29 and creative approaches using technology to provide needed citizens services
 30 in a more cost effective and efficient manner, as set out in §§25-33-201 --
 31 25-33-205.

32
 33 12-5-1231. Department of Workforce Services Grants Fund Account.

34 (a) There is created on the books of the Treasurer of State, Auditor of
 35 State, and Chief Fiscal Officer of the State a fund to be known as the
 36 "Department of Workforce Services Grants Fund Account".

1 (b) The fund shall consist of those general revenues as may be authorized by
 2 law and any other nonfederal funds as may be provided by law.

3 (c) This fund shall be used for the maintenance, operation, and improvement
 4 required by the Department of Workforce Services in carrying out those
 5 powers, functions, and duties imposed by law upon the Director of the
 6 Department of Workforce Services as set out in Title 11, Chapter 10 and Title
 7 20, Chapter 76, or any other duties that may be imposed by law upon the
 8 department including those duties transferred to the department under the
 9 provisions of §20-76-111.

10
 11 SECTION 33. Choose Life Adoption Assistance Program Fund.

12 (a) There is created on the books of the Treasurer of State, the
 13 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
 14 fund to be known as the Choose Life Adoption Assistance Program Fund.

15 (b)(1) The fund shall consist of revenue balances previously collected
 16 from Choose Life license plate design-use contribution fees under §27-15-
 17 3903(b)(2) [Repealed] and §27-15-3904 [Repealed].

18 (2) The Director of the Department of Health and Human Services
 19 shall distribute the funds to qualified organizations that provide services
 20 to the community that include counseling and meeting the physical needs of
 21 pregnant women who are committed to placing their children for adoption.

22 (3) All moneys accruing to the credit of the Choose Life
 23 Adoption Assistance Program Fund shall be appropriated and shall be
 24 distributed at the beginning of each fiscal year in a pro rata share to all
 25 qualified organizations.

26 (4) Any unused funds in excess of ten percent (10%) of the
 27 funds allocated to a nonprofit organization shall be returned to the Choose
 28 Life Adoption Assistance Program Fund at the end of the fiscal year to be
 29 aggregated and distributed with the next fiscal year distribution.

30 (c) To qualify to receive the funds available through the Choose Life
 31 Adoption Assistance Program, an organization shall deliver to the department
 32 an affidavit signed by a representative of the organization that states that
 33 the organization:

34 (1) Is a nonprofit organization;

35 (2) Does not discriminate because of race, marital status,
 36 gender, religion, national origin, handicap, or age;

1 (3) Counsels pregnant women about the option of placing their
2 children for adoption or facilitates the adoption of children who are, or
3 will become, available for adoption;

4 (4) Is not involved or associated in any way with any abortion
5 activities, including counseling for or referrals to abortion clinics,
6 providing medical abortion-related procedures, or pro-abortion advertising;

7 (5) Does not charge women for any services received;

8 (6) Will use the funds received only for the purposes and under
9 the restrictions of subsection (d) of this section and will use none of the
10 funds for administrative expenses, legal expenses, or capital expenditures;

11 (7) Will return at the end of each fiscal year any unused funds
12 exceeding ten percent (10%) of the funds received;

13 (8) Will submit to an annual audit of the funds received; and

14 (9) Will not utilize any of the funds to teach or promote
15 religion.

16 (d)(1)(A) Funds shall not be distributed to any organization that is
17 involved or associated with abortion activities, including counseling for or
18 referral to abortion clinics, providing medical abortion-related procedures,
19 or advertising that is pro-abortion.

20 (B) Funds shall not be distributed to any organization
21 that charges women for services received.

22 (2)(A) Sixty percent (60%) of the funds received by an
23 organization may be used to provide only for the material needs of pregnant
24 women who are committed to placing their children for adoption or expended on
25 infants awaiting placement with adoptive parents.

26 (B) The material needs of pregnant women shall include
27 clothing, housing, medical care, food, utilities, and transportation.

28 (3) Forty percent (40%) of the funds may be used only for
29 adoption, counseling, training, or advertising but shall not be used
30 for administrative expenses, legal expenses, or capital expenditures.

31 (e) Within six (6) months of the end of the fiscal year, an
32 organization that received and used funds during a fiscal year shall submit
33 an audit report of the funds received to the director verifying that the
34 funds received were used in the manner prescribed in this subchapter.

35
36 SECTION 34. EMERGENCY CLAUSE. It is hereby found and determined by

1 the General Assembly of the State of Arkansas that changes in the state's
2 fiscal laws must take effect at the beginning of the fiscal year, that if the
3 current legislative session is extended such that the 90 day period is later
4 than July 1, 2007 the changes will not be timely. Therefore, an emergency is
5 declared to exist and this act being immediately necessary for the
6 preservation of the public peace, health, and safety shall become effective
7 on July 1, 2007.

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