1 State of Arkansas As Engrossed: S3/23/07 A Bill 2 86th General Assembly SENATE BILL 834 Regular Session, 2007 3 4 By: Joint Budget Committee 5 6 7 For An Act To Be Entitled 8 AN ACT TO AMEND THE ARKANSAS REVENUE 9 STABILIZATION LAW; AND FOR OTHER PURPOSES. 10 11 **Subtitle** 12 13 AN ACT TO AMEND THE ARKANSAS REVENUE STABILIZATION LAW OF ARKANSAS. 14 15 16 17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: 18 19 SECTION 1. Arkansas Code §19-5-205(e)(1)(B)(i) concerning sources of special revenue for the State Central Services Fund, is amended to read as 20 21 follows: 22 (i) Those special revenues as specified in 19-6-301(9), (11), (19), (21), (37), (75), (76), (77), (78), (79), (82), (83), (84), (85), (86), (87), 23 (88), (89), (91), (96), (116), (118), (120), (124), (149), and (188), (231), 24 and eight percent (8%) of those special revenues as set out in § 19-6-301(20) 25 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: (B) The Miscellaneous Agencies Fund Account shall consist of: 31 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 (iii) Federal reimbursement received on account of eligible expenditures 36

- 1 of the various agencies and programs receiving primary support from the
- 2 Miscellaneous Agencies Fund Account +:
- 3 <u>(iv) Those special revenues as specified in subdivision (233) and that</u>
- 4 portion of subdivision (201) in §19-6-301 of the Revenue Classification Law,
- 5 §19-6-101 et seq.; and
- 6 <u>(v) That portion of forfeited registration fees for beer kegs sold for</u>
  7 off-site consumption.

- 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 <u>the various programs of the Arkansas Agriculture Department operating from</u>
- 26 and having appropriations made payable from the fund account; and;
- 27 (iv) Any other funds as may be provided by law.

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- 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

- 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 Those special revenues as set out in §19-6-301(224); and 3 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 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 tax revenues in excess of two million eight hundred and fifty thousand 14  $\frac{\text{dollars}}{\text{dollars}}$  (\$2,850,000), \\$ 26-52-311(c)(3), \\$26-52-311(b) and (c), to be used 15 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

36 by the General Assembly; and

Department of Health and Human Services.

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(C) The Department of Health Services Indigent Care Fund Account shall

consist of those general revenues and other such funds as may be appropriated

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.

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- 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.;

- 28 SECTION 12. Arkansas Code §19-5-901 is repealed.
- 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 Account of the State Apportionment Fund and notify the Treasurer of State and 3 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 The Ad Valorem Tax Fund shall be used to reimburse the 9 Constitutional Officers Fund and the State Central Services Fund on account of expenditures made to the Local Audit Division of for local audits by the 10 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 Arkansas Public Service Commission and the Assessment Coordination Department 13 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: 19-5-928. Insurance Fraud State Insurance Department Criminal 18 19 Investigation Division Trust Fund. There is hereby established on the books of the Treasurer of State, 20 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,

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.

- 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].

- 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 SECTION 18. Arkansas Code §19-5-985(b)(1), concerning sources of 3 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 additional ambulance annual fees as set out in §20-13-212 and those special 10 11 revenues as specified in subdivision (156) and subdivision (236) of §19-6- $301 \pm$  , and amounts collected under \$26-57-604 and 26-57-605 above the 12 forecasted level for insurance premium taxes set by the Chief Fiscal Officer 13 of the State of Arkansas under \$10-3-1404(a). 14 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 follows: 18 19 (a)(1) The Crime Information System Fund shall consist of those special revenues as specified in subdivision (14), and subdivision (235) of 20 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 State, and the Chief Fiscal Officer of the State a fund to be known as the 31 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

necessary expenses required by the Arkansas Merit System Council.

1 2 SECTION 21. Arkansas Code §19-5-1014 is repealed. 19-5-1014. Social Services Community Services Fund. 3 4 -(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 5 6 Community Services Fund. 7 (b) This fund will be used for deposit of funds received by Arkansas 8 Social Services from local sources for matching federal or combined federal 9 state funds under Title XX of the Social Security Act. (c) These funds shall be transferable as necessary to the appropriate paying 10 11 accounts within the appropriate division of the Department of Human Services for disbursement. 12 13 14 SECTION 22. Arkansas Code §19-5-1033 is repealed. 15 19-5-1033. Juvenile Detention Facilities Capital Grant Fund. 16 (a) There is hereby established on the books of the Treasurer of State, 17 Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the Juvenile Detention Facilities Capital Grant Fund. 18 19 (b) Such fund shall consist of moneys transferred from the Children and 20 Family Services Fund Account as determined by the Department of Human 21 Services, Division of Youth Services. 2.2 23 SECTION 23. Arkansas Code §19-5-1037 is repealed. 24 19-5-1037. Motion Picture Office Fund. 25 -(a) There is hereby established on the books of the Treasurer of State, 26 Auditor of State, and Chief Fiscal Officer of the State a fund to be known as 27 the Motion Picture Office Fund. 28 (b) Such fund shall consist of those funds transferred to it from the 29 Miscellaneous Revolving Fund, which is reimbursed from the State 30 Apportionment Fund in the amounts equal to one-half of one percent (1/2 of 31 1%) of the total amount of documented expenditures by motion picture 32 production companies as provided for in § 26-4-208, there to be used for all 33 duties and functions of the Motion Picture Office and in lieu of general

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revenues in the event that assets accruing to the fund exceed the amount

limitations as set out in § 26-4-211.

appropriated from general revenues for the Motion Picture Office, all within

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1 2 SECTION 24. Arkansas Code §19-5-1049 is repealed. 3 19-5-1049. Industry and Aerospace Development Fund. 4 (a) There is hereby established on the books of the Treasurer of State, 5 Auditor of State, and Chief Fiscal Officer of the State a fund to be known as 6 the Industry and Aerospace Development Fund. 7 (b) Such fund shall consist of those funds as may be provided by law, 8 there to be used by the Arkansas Aviation and Aerospace Commission and the 9 Arkansas Economic Development Commission for the development of the aviation 10 and aerospace industry and other industries which qualify for certification 11 by the Arkansas Economic Development Commission in Arkansas. 12 13 SECTION 25. Arkansas Code §19-5-1058 is repealed. 19-5-1058. Delta Service Corps Scholarship Revolving Fund. 14 15 (a) There is hereby established on the books of the Treasurer of State, 16 Auditor of State, and Chief Fiscal Officer of the State a fund to be known as 17 the Delta Service Corps Scholarship Revolving Fund. (b) Such fund shall consist of the state share of scholarships for 18 19 qualified individuals participating in the Delta Service Corps. 20 (c)(1) The Director of the Department of Human Services, with the approval 21 of the Governor, may request from the Chief Fiscal Officer of the State a 22 transfer of general revenue funds from the various general revenue fund 23 accounts of the Department of Human Services, in an amount not to exceed 24 three hundred forty thousand five hundred dollars (\$340,500), to provide the 25 state match for scholarships. 26 (2) If it is determined that the request for such transfer should be made, 27 the Chief Fiscal Officer of the State shall then initiate the necessary 28 transfer documents to reflect the transfer upon the fiscal records of the 29 Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the 30 State, and the Department of Human Services. 31 32 SECTION 26. Arkansas Code §19-5-1085(b), concerning sources of revenues for the Judicial Fine Collection Enhancement Fund, is amended to 33 34 read as follows: 35 (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 36

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 set out in § 16-13-712. 3 4 SECTION 27. Arkansas Code §19-5-1098(b)(1), concerning sources of 5 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: The fund shall consist of the first two million eight hundred 20 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 the "Arkansas Fair Housing Commission Trust Fund". 31 (b) The fund shall consist of funds received by the Arkansas Fair Housing 32 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.

(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 SECTION 31. Arkansas Code §19-5-1223 is repealed. 4 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 design-use contribution fee as set out in § 27-15-3503. 10 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 miscellaneous funds to read as follows: 18 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". (b) The fund shall consist of savings that accrue to state agencies from

- 23
- reductions in the cost of providing services to citizens as a result of 24
- employing technology, grants, gifts, and donations received by this state, 25
- 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
- and creative approaches using technology to provide needed citizens services 29
- 30 in a more cost effective and efficient manner, as set out in §§25-33-201 --
- 31 25-33-205.

- 33 12-5-1231. Department of Workforce Services Grants Fund Account.
- (a) There is created on the books of the Treasurer of State, Auditor of 34
- 35 State, and Chief Fiscal Officer of the State a fund to be known as the
- "Department of Workforce Services Grants Fund Account". 36

1	(b) The fund shall consist of those general revenues as my 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.
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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	Division of Health shall distribute the funds to Arkansas Right to Life.
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21	SECTION 34. EMERGENCY CLAUSE. It is hereby found and determined by
22	the General Assembly of the State of Arkansas that changes in the state's
23	fiscal laws must take effect at the beginning of the fiscal year, that if the
24	current legislative session is extended such that the 90 day period is later
25	than July 1, 2007 the changes will not be timely. Therefore, an emergency is
26	declared to exist and this act being immediately necessary for the
27	preservation of the public peace, health, and safety shall become effective
28	on July 1, 2007.
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30	/s/ Joint Budget Committee
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