

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas *As Engrossed: H2/6/13 H2/19/13*

2 89th General Assembly

A Bill

3 Regular Session, 2013

HOUSE BILL 1041

4

5 By: Representatives Westerman, D. Altes, Bell, Biviano, J. Burris, Clemmer, Collins, Cozart, Davis,
6 Dotson, C. Douglas, D. Douglas, Eubanks, Gillam, Gossage, Hammer, Harris, Hickerson, Hobbs, House,
7 Hutchison, Kerr, Lea, Lowery, Mayberry, D. Meeks, Rice, Scott, Shepherd, Slinkard, *Alexander,*
8 *Ballinger, Barnett, Bragg, Carnine, Dale, Deffenbaugh, Farrer, Fite, Jean, Linck, S. Malone, S. Meeks,*
9 *Neal, Payton, Womack*

10 By: Senators D. Sanders, Files, Hester, Holland, Rapert, *J. English*

11

12

For An Act To Be Entitled

13

AN ACT TO IMPOSE A CAP ON GENERAL REVENUE

14

EXPENDITURES FOR EACH FISCAL YEAR; TO LIMIT THE

15

INCREASE IN GENERAL REVENUE EXPENDITURES FROM YEAR TO

16

YEAR; TO CREATE A NEXUS BETWEEN THE AMOUNT OF GENERAL

17

REVENUE EXPENDITURES AND THE GROWTH OF *THE STATE*

18

GROSS DOMESTIC PRODUCT; AND FOR OTHER PURPOSES.

19

20

21

Subtitle

22

TO LIMIT THE INCREASE IN GENERAL REVENUE

23

EXPENDITURES FROM YEAR TO YEAR; AND TO

24

CREATE A NEXUS BETWEEN THE AMOUNT OF

25

GENERAL REVENUE EXPENDITURES AND THE

26

GROWTH OF THE STATE GROSS DOMESTIC

27

PRODUCT.

28

29

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

31

32 SECTION 1. Arkansas Code § 19-1-212 is amended to read as follows:

33 19-1-212. Duty to avoid deficit - Limitation on expenditures of net
34 general revenue.

35 ~~It shall be the duty and responsibility of the~~ (a) The Director of the
36 Department of Finance and Administration ~~to~~ shall:



1 (1) Keep advised at all times as to the revenues and other
2 income available for the operation, maintenance, and improvement of all state
3 agencies;

4 (2) Exercise the powers conferred upon him or her by law to see
5 that the state and all state agencies are maintained on a basis of accounting
6 recommended by the Governmental Accounting Standards Board for governmental
7 purposes;

8 (3) See that no obligation shall be incurred which shall not be
9 payable when the obligation shall become due; and

10 (4) Exercise his or her powers to see that ~~the~~:

11 (A) The funds on hand and estimated to become available to
12 each state agency shall be are sufficient to maintain the state and all of
13 its state agencies on a sound financial basis without incurring a deficit;
14 and

15 (B) The expenditures of net general revenue available for
16 distribution for each fiscal year do not exceed the lesser of the following:

17 (i) An increase of three percent (3%) over the total
18 expenditures of net general revenue available for distribution of all state
19 agencies and institutions of higher education for the previous fiscal year;
20 and

21 (ii)(a) The average rate of change of the state
22 gross domestic product for the preceding three (3) fiscal years.

23 (b) The average rate of change of the state
24 gross domestic product is calculated by:

25 (1) Dividing:

26 (A) The estimated state gross
27 domestic product forecast based on the most recent report from the Department
28 of Finance and Administration as of June 30 of the immediately preceding
29 fiscal year; by

30 (B) The estimated state gross
31 domestic product based on the department's estimates closest in time to three
32 (3) fiscal years before the report used in subdivision (4)(B)(ii)(b)(1)(A) of
33 this section; and

34 (2) Subtracting one (1) from the cube
35 root of the quotient obtained under subdivision (4)(B)(ii)(b)(1) of this
36 section.

