

1 State of Arkansas  
2 89th General Assembly  
3 Fiscal Session, 2014  
4

As Engrossed: H2/19/14

# A Bill

HOUSE BILL 1114

5 By: Joint Budget Committee  
6

## For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
9 AND OPERATING EXPENSES FOR THE STATE SECURITIES  
10 DEPARTMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2015;  
11 AND FOR OTHER PURPOSES.  
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## Subtitle

14 AN ACT FOR THE STATE SECURITIES  
15 DEPARTMENT APPROPRIATION FOR THE 2014-  
16 2015 FISCAL YEAR.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established  
23 for the State Securities Department for the 2014-2015 fiscal year, the  
24 following maximum number of regular employees.  
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Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2014-2015
30	(1) U040U	SECURITIES COMMISSIONER	1	\$104,936
31	(2) N137N	SECURITIES DEPUTY COMMISSIONER	2	GRADE N902
32	(3) G025C	ATTORNEY SUPERVISOR	1	GRADE C127
33	(4) G047C	ATTORNEY SPECIALIST	6	GRADE C126
34	(5) X008C	SECURITIES CHIEF EXAMINER	2	GRADE C126
35	(6) X015C	SECURITIES EXAMINER SUPERVISOR	3	GRADE C124
36	(7) X032C	SENIOR SECURITIES EXAMINER	10	GRADE C122



1	(8)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
2	(9)	D051C	SYSTEMS APPLICATIONS SUPERVISOR	1	GRADE C121
3	(10)	X061C	SECURITIES EXAMINER	5	GRADE C119
4	(11)	C037C	ADMINISTRATIVE ANALYST	1	GRADE C115
5	(12)	C046C	LEGAL SUPPORT SPECIALIST	2	GRADE C113
6	(13)	C056C	ADMINISTRATIVE SPECIALIST III	3	GRADE C112
7	(14)	A098C	FISCAL SUPPORT SPECIALIST	<u>1</u>	GRADE C112
8			MAX. NO. OF EMPLOYEES	39	

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10 SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for  
 11 the State Securities Department for the 2014-2015 fiscal year, the following  
 12 maximum number of part-time or temporary employees, to be known as "Extra  
 13 Help", payable from funds appropriated herein for such purposes: two (2)  
 14 temporary or part-time employees, when needed, at rates of pay not to exceed  
 15 those provided in the Uniform Classification and Compensation Act, or its  
 16 successor, or this act for the appropriate classification.

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18 SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated,  
 19 to the State Securities Department, to be payable from the Securities  
 20 Department Fund, for personal services and operating expenses of the State  
 21 Securities Department for the fiscal year ending June 30, 2015, the  
 22 following:

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24	ITEM	FISCAL YEAR
25	<u>NO.</u>	<u>2014-2015</u>
26	(01) REGULAR SALARIES	\$2,015,118
27	(02) EXTRA HELP	16,000
28	(03) PERSONAL SERVICES MATCHING	635,123
29	(04) MAINT. & GEN. OPERATION	
30	(A) OPER. EXPENSE	447,160
31	(B) CONF. & TRAVEL	30,000
32	(C) PROF. FEES	14,484
33	(D) CAP. OUTLAY	13,500
34	(E) DATA PROC.	0
35	(05) CONTINGENCY	200,000
36	(06) EXAMINATION TRAVEL	<u>20,000</u>

1 TOTAL AMOUNT APPROPRIATED \$3,391,385

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3 SECTION 4. APPROPRIATION - REFUNDS AND REIMBURSEMENTS. There is hereby  
 4 appropriated, to the State Securities Department, to be payable from cash  
 5 funds as defined by Arkansas Code 19-4-801 of the State Securities  
 6 Department, for refunds and reimbursements of the State Securities Department  
 7 for the fiscal year ending June 30, 2015, the following:

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9 ITEM	FISCAL YEAR
10 <u>NO.</u>	<u>2014-2015</u>
11 (01) REFUNDS/REIMBURSEMENTS	<u>\$500,000</u>

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13 SECTION 5. APPROPRIATION - INVESTOR EDUCATION. There is hereby  
 14 appropriated, to the State Securities Department, to be payable from the  
 15 Investor Education Fund, for operating expenses, promotional items and grants  
 16 of the State Securities Department for the fiscal year ending June 30, 2015,  
 17 the following:

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19 ITEM	FISCAL YEAR
20 <u>NO.</u>	<u>2014-2015</u>
21 (01) MAINT. & GEN. OPERATION	
22 (A) OPER. EXPENSE	\$36,000
23 (B) CONF. & TRAVEL	0
24 (C) PROF. FEES	0
25 (D) CAP. OUTLAY	0
26 (E) DATA PROC.	0
27 (02) PROMOTIONAL ITEMS	7,500
28 (03) INVESTOR EDUCATION GRANTS	<u>70,000</u>
29 TOTAL AMOUNT APPROPRIATED	<u>\$113,500</u>

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31 SECTION 6. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
 33 CONTINGENCY RESTRICTION. In the event additional appropriations become  
 34 necessary that are not authorized or contemplated in Section 3 of this Act  
 35 and specific cases, situations, and/or programs make it necessary that the  
 36 State Securities Department receives additional appropriations to carry out

1 the objectives of the agency, the Securities Commissioner is hereby  
2 authorized to request the approval of the Governor, the Chief Fiscal Officer  
3 of the State and prior approval by the Arkansas Legislative Council or Joint  
4 Budget Committee for transfers of the appropriations provided in the  
5 Contingency line item of Section 3 of this Act to other line items within  
6 Section 3. In no event shall the transfers in any fiscal year exceed the  
7 appropriations provided in the Contingency line item of Section 3 of this  
8 Act. The Governor may approve or modify such request for transfer of  
9 appropriations as in his judgment he deems necessary, and shall inform the  
10 Chief Fiscal Officer of the State and receive review and prior approval by  
11 the Arkansas Legislative Council or Joint Budget Committee. Upon  
12 notification, the Chief Fiscal Officer of the State shall direct the State  
13 Auditor to process said transfer upon his books in accordance with the  
14 provisions as set out herein.

15 Determining the maximum number of employees and the maximum amount of  
16 appropriation and general revenue funding for a state agency each fiscal year  
17 is the prerogative of the General Assembly. This is usually accomplished by  
18 delineating such maximums in the appropriation act(s) for a state agency and  
19 the general revenue allocations authorized for each fund and fund account by  
20 amendment to the Revenue Stabilization law. Further, the General Assembly has  
21 determined that the Securities Department may operate more efficiently if  
22 some flexibility is provided to the Securities Department authorizing broad  
23 powers under this section. Therefore, it is both necessary and appropriate  
24 that the General Assembly maintain oversight by requiring prior approval of  
25 the Legislative Council or Joint Budget Committee as provided by this  
26 section. The requirement of approval by the Legislative Council or Joint  
27 Budget Committee is not a severable part of this section. If the requirement  
28 of approval by the Legislative Council or Joint Budget Committee is ruled  
29 unconstitutional by a court of competent jurisdiction, this entire section is  
30 void.

31 The provisions of this section shall be in effect only from July 1, ~~2013~~  
32 2014 through June 30, ~~2014~~ 2015.

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34 *SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS*  
35 *CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. QUARTERLY*  
36 *REPORTS. The Securities Department shall on a quarterly basis provide to the*

1 Arkansas Legislative Council or Joint Budget committee a report of all funds  
2 received or any external fund transactions recognized or required through  
3 court orders or settlement agreements. The report shall include:

4 a) The case name of the court order or settlement agreement.

5 b) The amount of funds received or transaction recognized or required by  
6 the Securities Department for each court order or settlement agreement.

7 c) A plan for disbursement of the received funds. If funds received from  
8 a court order or settlement agreement are expended for any purpose, including  
9 investor education and enforcement activities, the report must itemize  
10 specific activities subject to the exclusions provided in Ark. Code Ann. 25-  
11 1-403(1)(B). The report shall also itemize the specific investor education  
12 and enforcement activities funded for the Securities Department.

13 d) An explanation of whether the funds received or transactions  
14 recognized or required from a court order or settlement are directed to a  
15 specific entity, and if so, the Securities Department shall provide a summary  
16 of input regarding the drafting of the court order or settlement agreement.

17 e) A report of the rationale for disbursing funds to a specific entity if  
18 the Securities Department receives funds from a court order or settlement  
19 agreement that does not require disbursement of funds to a specific entity.

20 f) A report of current balances of all unappropriated fund holdings  
21 received by court order or settlement agreement by the Securities Department.

22 g) The quarterly reports shall be provided no later than the 15<sup>th</sup> day of  
23 the month immediately following the end of each quarter.

24 The provisions of this section shall be in effect only from July 1, 2014  
25 through June 30, 2015.

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27 SECTION 8. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
28 authorized by this act shall be limited to the appropriation for such agency  
29 and funds made available by law for the support of such appropriations; and  
30 the restrictions of the State Procurement Law, the General Accounting and  
31 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
32 Procedures and Restrictions Act, or their successors, and other fiscal  
33 control laws of this State, where applicable, and regulations promulgated by  
34 the Department of Finance and Administration, as authorized by law, shall be  
35 strictly complied with in disbursement of said funds.

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1 SECTION 9. LEGISLATIVE INTENT. It is the intent of the General  
2 Assembly that any funds disbursed under the authority of the appropriations  
3 contained in this act shall be in compliance with the stated reasons for  
4 which this act was adopted, as evidenced by the Agency Requests, Executive  
5 Recommendations and Legislative Recommendations contained in the budget  
6 manuals prepared by the Department of Finance and Administration, letters, or  
7 summarized oral testimony in the official minutes of the Arkansas Legislative  
8 Council or Joint Budget Committee which relate to its passage and adoption.

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10 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the  
11 General Assembly, that the Constitution of the State of Arkansas prohibits  
12 the appropriation of funds for more than a one (1) year period; that the  
13 effectiveness of this Act on July 1, 2014 is essential to the operation of  
14 the agency for which the appropriations in this Act are provided, and that in  
15 the event of an extension of the legislative session, the delay in the  
16 effective date of this Act beyond July 1, 2014 could work irreparable harm  
17 upon the proper administration and provision of essential governmental  
18 programs. Therefore, an emergency is hereby declared to exist and this Act  
19 being necessary for the immediate preservation of the public peace, health  
20 and safety shall be in full force and effect from and after July 1, 2014.

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22 */s/Joint Budget Committee*  
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