

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1106

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 DEPARTMENT OF FINANCE  
10 AND ADMINISTRATION - REVENUE SERVICES DIVISION FOR  
11 THE FISCAL YEAR ENDING JUNE 30, 2020; AND FOR OTHER  
12 PURPOSES.  
13  
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## Subtitle

15 AN ACT FOR THE DEPARTMENT OF FINANCE AND  
16 ADMINISTRATION - REVENUE SERVICES  
17 DIVISION APPROPRIATION FOR THE 2019-2020  
18 FISCAL YEAR.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. REGULAR SALARIES. There is hereby established for the  
25 Department of Finance and Administration - Revenue Services Division for the  
26 2019-2020 fiscal year, the following maximum number of regular employees.  
27

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2019-2020
32	(1) N003N	DFA DEP DIR AND COMMR OF REVENUE	1	GRADE SE03
33	(2) N037N	DFA DRIVER LICENSE ADMINISTRATOR	1	GRADE SE02
34	(3) N035N	DFA MOTOR VEHICLE ADMINISTRATOR	1	GRADE SE02
35	(4) N004N	DFA REV ASST COMMR POLICY & LEGAL	1	GRADE SE02
36	(5) G002N	DFA REVENUE CHIEF COUNSEL	1	GRADE SE02



1	(6)	N030N DFA STATE REVENUE OFFICE ADMIN	1	GRADE SE02
2	(7)	N029N DFA TAX ADMINISTRATOR	2	GRADE SE02
3	(8)	N028N DFA TAX AUDIT ADMINISTRATOR	1	GRADE SE02
4	(9)	A003C DFA REVENUE ASSISTANT ADMINISTRATOR	12	GRADE GS14
5	(10)	A006C DFA REVENUE TAX DIVISION MANAGER	10	GRADE GS13
6	(11)	G025C ATTORNEY SUPERVISOR	2	GRADE GS12
7	(12)	G024C DEPARTMENT ADMINISTRATIVE LAW JUDGE	3	GRADE GS12
8	(13)	G047C ATTORNEY SPECIALIST	13	GRADE GS11
9	(14)	G044C DFA REV PROBLEM RESOLUTION OFFICER	2	GRADE GS11
10	(15)	A033C TAX AUDITOR SUPERVISOR	28	GRADE GS11
11	(16)	G045C DFA DIVISION MANAGER III	2	GRADE GS09
12	(17)	T106C DFA REVENUE SECURITY SUPERVISOR	1	GRADE GS09
13	(18)	A054C TAX AUDITOR II	181	GRADE GS09
14	(19)	A082C ACCOUNTANT II	1	GRADE GS08
15	(20)	G084C DFA DIVISION MANAGER II	6	GRADE GS08
16	(21)	A089C ACCOUNTANT I	1	GRADE GS07
17	(22)	G133C DFA DIVISION MANAGER I	17	GRADE GS07
18	(23)	A049C DFA REVENUE OFFICE DISTRICT MANAGER	5	GRADE GS07
19	(24)	T032C DFA REVENUE SECURITY COORDINATOR	4	GRADE GS07
20	(25)	A059C TAX AUDITOR	1	GRADE GS07
21	(26)	C037C ADMINISTRATIVE ANALYST	3	GRADE GS06
22	(27)	A077C DFA LOCAL REVENUE OFFICE MANAGER	54	GRADE GS06
23	(28)	A074C FISCAL SUPPORT SUPERVISOR	5	GRADE GS06
24	(29)	C029C HEARING OFFICER	26	GRADE GS06
25	(30)	G179C LEGAL SERVICES SPECIALIST	1	GRADE GS06
26	(31)	S017C MAINTENANCE COORDINATOR	1	GRADE GS06
27	(32)	P027C PUBLIC INFORMATION SPECIALIST	1	GRADE GS06
28	(33)	S041C BOILER OPERATOR	7	GRADE GS05
29	(34)	A094C DFA LOCAL REVENUE OFFICE SUPERVISOR	88	GRADE GS05
30	(35)	A069C DFA REV OFFICE ASST DISTRICT MANAGER	5	GRADE GS05
31	(36)	C042C DFA REVENUE SUPERVISOR	30	GRADE GS05
32	(37)	A091C FISCAL SUPPORT ANALYST	23	GRADE GS05
33	(38)	R032C HUMAN RESOURCES PROGRAM REP	1	GRADE GS05
34	(39)	V015C PURCHASING SPECIALIST	2	GRADE GS05
35	(40)	C056C ADMINISTRATIVE SPECIALIST III	12	GRADE GS04
36	(41)	C048C DFA SUPERVISOR	94	GRADE GS04

1	(42)	A098C FISCAL SUPPORT SPECIALIST	2	GRADE GS04
2	(43)	C046C LEGAL SUPPORT SPECIALIST	9	GRADE GS04
3	(44)	C073C ADMINISTRATIVE SPECIALIST II	28	GRADE GS03
4	(45)	C059C DFA SERVICE REPRESENTATIVE	673	GRADE GS03
5	(46)	X172C TAX INVESTIGATOR	34	GRADE GS03
6	(47)	C076C DFA TECHNICIAN	69	GRADE GS02
7	(48)	S084C INSTITUTIONAL SERVICES SUPERVISOR	1	GRADE GS02
8	(49)	S087C INSTITUTIONAL SERVICES ASSISTANT	<u>10</u>	GRADE GS01
9		MAX. NO. OF EMPLOYEES	1,477	

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11 SECTION 2. EXTRA HELP - REVENUE SERVICES DIVISION. There is hereby  
 12 authorized, for the Department of Finance and Administration - Revenue  
 13 Services Division for the 2019-2020 fiscal year, the following maximum number  
 14 of part-time or temporary employees, to be known as "Extra Help", payable  
 15 from funds appropriated herein for such purposes: one hundred (100)  
 16 temporary or part-time employees, when needed, at rates of pay not to exceed  
 17 those provided in the Uniform Classification and Compensation Act, or its  
 18 successor, or this act for the appropriate classification.

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20 SECTION 3. APPROPRIATION - REVENUE SERVICES DIVISION - OPERATIONS.  
 21 There is hereby appropriated, to the Department of Finance and Administration  
 22 - Revenue Services Division, to be payable from the State Central Services  
 23 Fund, for personal services and operating expenses of the Department of  
 24 Finance and Administration - Revenue Services Division for the fiscal year  
 25 ending June 30, 2020, the following:

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27	ITEM	FISCAL YEAR
28	<u>NO.</u>	<u>2019-2020</u>
29	(01) REGULAR SALARIES	\$54,121,658
30	(02) EXTRA HELP	300,000
31	(03) PERSONAL SERVICES MATCHING	19,915,790
32	(04) OVERTIME	45,000
33	(05) MAINT. & GEN. OPERATION	
34	(A) OPER. EXPENSE	26,750,000
35	(B) CONF. & TRAVEL	90,000
36	(C) PROF. FEES	100,000

1	(D) CAP. OUTLAY	500,000
2	(E) DATA PROC.	<u>0</u>
3	TOTAL AMOUNT APPROPRIATED	<u>\$101,822,448</u>

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5 SECTION 4. APPROPRIATION - COMMERCIAL DRIVERS LICENSE PROGRAM. There

6 is hereby appropriated, to the Department of Finance and Administration -

7 Revenue Services Division, to be payable from the Commercial Driver License

8 Fund, for personal services and operating expenses of the Department of

9 Finance and Administration - Revenue Services Division - Commercial Drivers

10 License Program for the fiscal year ending June 30, 2020, the following:

11	ITEM	FISCAL YEAR
12		
13	<u>NO.</u>	<u>2019-2020</u>
14	(01) REGULAR SALARIES	\$282,311
15	(02) PERSONAL SERVICES MATCHING	115,557
16	(03) MAINT. & GEN. OPERATION	
17	(A) OPER. EXPENSE	4,352,352
18	(B) CONF. & TRAVEL	0
19	(C) PROF. FEES	0
20	(D) CAP. OUTLAY	0
21	(E) DATA PROC.	<u>0</u>
22	TOTAL AMOUNT APPROPRIATED	<u>\$4,750,220</u>

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24 SECTION 5. APPROPRIATION - INDIVIDUAL INCOME TAX AND AD VALOREM

25 PROPERTY TAX REBATES. There is hereby appropriated, to the Department of

26 Finance and Administration - Revenue Services Division, to be payable from

27 the Individual Income Tax Withholding Fund, for the purpose of making

28 individual income tax refunds of taxes withheld under the provisions of

29 Arkansas Code beginning at 26-51-901 and property tax rebates under Amendment

30 79 of the Arkansas Constitution for the fiscal year ending June 30, 2020, the

31 following:

32	ITEM	FISCAL YEAR
33		
34	<u>NO.</u>	<u>2019-2020</u>
35	(01) INDIVIDUAL INCOME TAX & AD VALOREM	
36	PROPERTY TAX REBATES -	

1 REFUND/REIMBURSEMENTS \$680,000,000

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3 SECTION 6. APPROPRIATION - CORPORATE INCOME TAX. There is hereby  
 4 appropriated, to the Department of Finance and Administration - Revenue  
 5 Services Division, to be payable from the Corporate Income Tax Withholding  
 6 Fund, for the purpose of making corporate income tax refunds of taxes  
 7 withheld under the provisions of Arkansas Code 26-51-901 for the fiscal year  
 8 ending June 30, 2020, the following:

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10 ITEM	FISCAL YEAR
11 <u>NO.</u>	<u>2019-2020</u>
12 (01) CORPORATE INCOME TAX -	
13 REFUND/REIMBURSEMENTS	<u>\$200,000,000</u>

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15 SECTION 7. APPROPRIATION - GASOLINE TAX REFUNDS. There is hereby  
 16 appropriated, to the Department of Finance and Administration - Revenue  
 17 Services Division, to be payable from the Gasoline Tax Refund Fund, for  
 18 paying the valid gasoline tax refund claims of agricultural users and bus  
 19 drivers in the manner and to the extent provided by law for the fiscal year  
 20 ending June 30, 2020, the following:

21

22 ITEM	FISCAL YEAR
23 <u>NO.</u>	<u>2019-2020</u>
24 (01) GASOLINE TAX REFUND CLAIMS	<u>\$1,500,000</u>

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26 SECTION 8. APPROPRIATION - INTERSTATE MOTOR FUEL TAX REFUNDS. There is  
 27 hereby appropriated, to the Department of Finance and Administration -  
 28 Revenue Services Division, to be payable from the Interstate Motor Fuel Tax  
 29 Refund Fund, for paying refunds to interstate users of motor fuels and  
 30 special motor fuels as authorized by law for the fiscal year ending June 30,  
 31 2020, the following:

32

33 ITEM	FISCAL YEAR
34 <u>NO.</u>	<u>2019-2020</u>
35 (01) INTERSTATE MOTOR FUEL TAX -	
36 REFUND/REIMBURSEMENTS	<u>\$20,000,000</u>

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 2 SECTION 9. APPROPRIATION - MISCELLANEOUS TAX REFUNDS. There is hereby  
 3 appropriated, to the Department of Finance and Administration - Revenue  
 4 Services Division, to be payable from the Miscellaneous Revolving Fund, for  
 5 making refunds of taxes erroneously paid and for refunds of the gross  
 6 receipts taxes paid upon tickets to athletic events pursuant to Arkansas Code  
 7 26-52-412 and for other purposes as authorized by law for the fiscal year  
 8 ending June 30, 2020, the following:

10 ITEM	FISCAL YEAR
11 <u>NO.</u>	<u>2019-2020</u>
12 (01) MISCELLANEOUS TAX -	
13 REFUND/REIMBURSEMENTS	<u>\$260,000,000</u>

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 15 SECTION 10. APPROPRIATION - SPECIAL PLATES. There is hereby  
 16 appropriated, to the Department of Finance and Administration - Revenue  
 17 Services Division, to be payable from the cash fund deposited in the State  
 18 Treasury as determined by the Chief Fiscal Officer of the State, for  
 19 administrative and operating expenses of disbursing the Motor Vehicle Special  
 20 License Plates fees to the proper entities for the fiscal year ending June  
 21 30, 2020, the following:

23 ITEM	FISCAL YEAR
24 <u>NO.</u>	<u>2019-2020</u>
25 (01) MV SPECIAL PLATES-ADMINISTRATIVE &	
26 OPERATING EXPENSES	<u>\$4,000,000</u>

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 28 SECTION 11. APPROPRIATION - REVENUE MISCELLANEOUS CASH. There is  
 29 hereby appropriated, to the Department of Finance and Administration -  
 30 Revenue Services Division, to be payable from the cash fund deposited in the  
 31 State Treasury as determined by the Chief Fiscal Officer of the State, for  
 32 distribution of fees and service charges collected on behalf of other  
 33 entities and for other purposes as authorized by law for the fiscal year  
 34 ending June 30, 2020, the following:

36 ITEM	FISCAL YEAR
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1	NO.	2019-2020
2	(01) DISTRIBUTION OF FEES / SERVICE CHARGES	<u>\$12,000,000</u>

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 4 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 5 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

6 APPROPRIATION TRANSFERS. The Director of the Department of Finance and  
 7 Administration is authorized to transfer appropriation between refund line  
 8 item appropriations in this Act. The Director of the Department of Finance  
 9 and Administration shall immediately report any such transfers to the  
 10 Arkansas Legislative Council or Joint Budget Committee. Such report shall  
 11 contain the amounts transferred and the reasons for the same.

12 The provisions of this section shall be in effect only from July 1, ~~2018~~  
 13 2019 through June 30, ~~2019~~ 2020.

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 15 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 16 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXTRA  
 17 HELP EXEMPTION. Extra Help positions authorized herein are specifically  
 18 exempt from limitation of hours, either by act or regulation. Provided,  
 19 however, when a temporary or part-time employee is employed by the Department  
 20 of Finance and Administration - Revenue Services Division for a period of  
 21 time exceeding seven (7) months, a report of such shall be filed with the  
 22 Arkansas Legislative Council or Joint Budget Committee.

23 The provisions of this section shall be in effect only from July 1, ~~2018~~  
 24 2019 through June 30, ~~2019~~ 2020.

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 26 SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 27 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AUTHORITY  
 28 TO EMPLOY CERTIFIED LAW ENFORCEMENT OFFICERS. The Director of the Department  
 29 of Finance and Administration is authorized to employ certified law  
 30 enforcement officers and specialized police personnel as certified under §  
 31 12-9-101 et seq. The certified law enforcement officers and specialized  
 32 police personnel employed under this section shall be responsible for  
 33 maintaining order and providing for the security, protection, and safety of  
 34 the Department of Finance and Administration buildings, grounds, property,  
 35 employees and customers. The certified law enforcement officer shall have the  
 36 powers, duties, privileges, and immunities of a certified law enforcement

1 officer.

2 The following two classifications shall be used by the agency for  
 3 security, protection, and safety personnel:

4			Maximum	Salary Rate
5	Item	Class	No. of	Fiscal Year
6	No.	Code Title	Employees	<del>2018-2019</del> 2019-2020
7	(1)	T106C DFA REVENUE SECURITY SUPERVISOR	1	GRADE GS09
8	(2)	T032C DFA REVENUE SECURITY COORDINATOR	<u>4</u>	GRADE GS07
9		MAX. NO. OF EMPLOYEES	5	

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11 Department of Finance and Administration Alcoholic Beverage Control  
 12 Enforcement Division will manage training and certification of the certified  
 13 law enforcement officers and specialized police personnel and maintain all  
 14 required documentation.

15 The provisions of this section shall be in effect only from July 1, ~~2018~~  
 16 2019 through June 30, ~~2019~~ 2020.

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18 SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 19 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

20 CONTINGENT POSITIONS. There is hereby established for the Department of  
 21 Finance and Administration - Revenue Division - Contingent Positions for the  
 22 ~~2018-2019~~ 2019-2020 fiscal year, the following maximum number of regular  
 23 employees whose salaries shall be governed by the provisions of the Uniform  
 24 Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.), or  
 25 its successor, and all laws amendatory thereto. All persons occupying  
 26 positions authorized herein are hereby governed by the provisions of the  
 27 Regular Salaries Procedures and Restrictions Act (Arkansas Code § 21-5-101),  
 28 or its successor.

29 CONTINGENT POSITIONS – DATA ENTRY

30			MAXIMUM	SALARY RATE
31	ITEM	CLASS	NO. OF	FISCAL YEAR
32	NO.	CODE TITLE	EMPLOYEES	<del>2018-18</del> 2019-2020
33	(1)	C042C DFA REVENUE SUPERVISOR	2	GRADE GS05
34	(2)	C059C DFA SERVICE REPRESENTATIVE	8	GRADE GS03
35	(3)	C076C DFA TECHNICIAN	<u>40</u>	GRADE GS02
36		MAX CONTINGENT EMPLOYEES	50	



1 If it has been determined by the Director of the Department of Finance and  
 2 Administration that the Department cannot continue a contract with a private  
 3 provider and the Director deems it necessary to utilize Department staff to  
 4 provide the required services, the Department is allowed, after seeking prior  
 5 review by the Arkansas Legislative Council or Joint Budget Committee, to  
 6 utilize the contingent positions for data entry contained in this Section and  
 7 make the appropriate transfers from the various Maintenance and Operations,  
 8 Professional Fees and Services or Data Processing line items contained in the  
 9 Revenue Services Division - Operations Appropriation Section of this Act to  
 10 Regular Salaries and Personal Services Matching.

11 The provisions of this section shall be in effect only from July 1, ~~2018~~  
 12 2019 through June 30, ~~2019~~ 2020.

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14 SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 15 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TAXATION  
 16 OF CANDY AND SOFT DRINKS.

17 (a) The Director of the Department of Finance and Administration shall  
 18 either:

19 (1)(A) By July 1, 2018, publish a list of the Universal Product  
 20 Codes for items that meet the definition of:

21 (i) A candy under § 26-52-103(3) or § 26-53-102(3);

22 and

23 (ii) A soft drink under § 26-52-103(28) or § 26-53-  
 24 102(22).

25 (B) The list published by the director under subdivision  
 26 (a)(1)(A) of this section shall provide guidance to retailers, sellers, and  
 27 vendors regarding which items are defined as a candy or a soft drink but not  
 28 defined as food and food ingredients under the Arkansas Gross Receipts Act of  
 29 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, §  
 30 26-53-101 et seq.

31 (C) The list published by the director under subdivision  
 32 (a)(1)(A) of this section is exempt from the Arkansas Administrative  
 33 Procedure Act, § 25-15-201 et seq; or

34 (2) Not subject a retailer, seller, or vendor to the penalties  
 35 under § 26-18-201, § 26-18-202, § 26-18-208, § 26-18-209, § 26-52-512, or §  
 36 26-53-125 if the retailer, seller, or vendor:

1 (A) Collects and remits tax payments to the Department of  
2 Finance and Administration on the gross receipts and gross proceeds derived  
3 from the sale of items that meet the definition of:

4 (i) A candy under § 26-52-103(3) or § 26-53-102(3)  
5 at the taxable rate for food and food ingredients under § 26-52-317 or § 26-  
6 53-145; or

7 (ii) A soft drink under § 26-52-103(28) or § 26-53-  
8 102(22) at the taxable rate for food and food ingredients under § 26-52-317  
9 or § 26-53-145; and

10 (B) Demonstrates a good faith effort to collect and remit  
11 tax payments to the department on the gross receipts and gross proceeds  
12 derived from the sale of items that meet the definition of:

13 (i) A candy under § 26-52-103(3) or § 26-53-102(3)  
14 at the taxable rate under § 26-52-301, § 26-52-302, § 26-53-106, or § 26-53-  
15 107; or

16 (ii) A soft drink under § 26-52-103(28) or § 26-53-  
17 102(22) at the taxable rate under § 26-52-301, § 26-52-302, § 26-53-106, or §  
18 26-53-107.

19 (b) This section is effective until September 30, 2019.

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21 SECTION 17. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
22 authorized by this act shall be limited to the appropriation for such agency  
23 and funds made available by law for the support of such appropriations; and  
24 the restrictions of the State Procurement Law, the General Accounting and  
25 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
26 Procedures and Restrictions Act, or their successors, and other fiscal  
27 control laws of this State, where applicable, and regulations promulgated by  
28 the Department of Finance and Administration, as authorized by law, shall be  
29 strictly complied with in disbursement of said funds.

30  
31 SECTION 18. LEGISLATIVE INTENT. It is the intent of the General  
32 Assembly that any funds disbursed under the authority of the appropriations  
33 contained in this act shall be in compliance with the stated reasons for  
34 which this act was adopted, as evidenced by the Agency Requests, Executive  
35 Recommendations and Legislative Recommendations contained in the budget  
36 manuals prepared by the Department of Finance and Administration, letters, or

1 summarized oral testimony in the official minutes of the Arkansas Legislative  
 2 Council or Joint Budget Committee which relate to its passage and adoption.

3  
 4 SECTION 19. EMERGENCY CLAUSE. It is found and determined by the  
 5 General Assembly, that the Constitution of the State of Arkansas prohibits  
 6 the appropriation of funds for more than a one (1) year period; that the  
 7 effectiveness of this Act on July 1, 2019 is essential to the operation of  
 8 the agency for which the appropriations in this Act are provided, and that in  
 9 the event of an extension of the legislative session, the delay in the  
 10 effective date of this Act beyond July 1, 2019 could work irreparable harm  
 11 upon the proper administration and provision of essential governmental  
 12 programs. Therefore, an emergency is hereby declared to exist and this Act  
 13 being necessary for the immediate preservation of the public peace, health  
 14 and safety shall be in full force and effect from and after July 1, 2019.

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