

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

As Engrossed: S4/8/19

A Bill

SENATE BILL 595

5 By: Senator Teague
6

For An Act To Be Entitled

8 AN ACT TO DEFINE THE MONIES TO BE AVAILABLE IN THE
9 RAINY DAY FUND; AND TO ALLOW THAT ADDITIONAL FUNDS
10 MAY BE MADE AVAILABLE FOR STATE AGENCIES AND
11 INSTITUTIONS APPROPRIATIONS; AND FOR OTHER PURPOSES
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Subtitle

14 AN ACT TO DEFINE THE MONIES TO BE
15 AVAILABLE IN THE RAINY DAY FUND; AND TO
16 ALLOW THAT ADDITIONAL FUNDS MAY BE MADE
17 AVAILABLE FOR STATE AGENCIES AND
18 INSTITUTIONS APPROPRIATIONS; AND FOR
19 OTHER PURPOSES
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. DO NOT CODIFY. Legislative findings – Nonseverability.

26 (a) The General Assembly finds that:

27 (1) Determining the maximum amount of appropriation and funding
28 for a state agency or institution each fiscal year is the prerogative of the
29 General Assembly;

30 (2) Determining the maximum amount of appropriation and funding
31 for a state agency or institution is usually accomplished by delineating the
32 maximum amounts in the appropriation acts for the state agency or institution
33 and in the general revenue allocations authorized for each relevant fund and
34 fund account by amendment to the Revenue Stabilization Law, § 19-5-101 et
35 seq.;

36 (3) The Rainy Day Fund has established procedures for the



1 transfer of funds to various funds and fund accounts for the efficient and
2 effective operation of state government; and

3 (4) It is necessary and appropriate that the General Assembly
4 maintain oversight by requiring prior approval of the Legislative Council or,
5 if the General Assembly is in session, the Joint Budget Committee, as
6 provided in § 19-5-1262(c)(2).

7 (b) The requirement of approval by the Legislative Council or, if the
8 General Assembly is in session, the Joint Budget Committee, is not a
9 severable part of § 19-5-1262. If the requirement of approval by the
10 Legislative Council or, if the General Assembly is in session, the Joint
11 Budget Committee, is ruled unconstitutional by a court of competent
12 jurisdiction, § 19-5-1262 (c)(2) is void in its entirety.

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14 SECTION 2. DO NOT CODIFY. Rainy Day Funding. Immediately upon the
15 effective date of this Act, as soon thereafter as is practical or as
16 authorized in this Section the State Treasurer shall transfer and credit to
17 the "Rainy Day Fund", upon certification of the amounts thereof by the Chief
18 Fiscal Officer of the State, the following:

19 (a)(1) Any funds remaining in the Rainy Day Fund at the end of a Fiscal
20 Year shall carried forward to the next Fiscal Year unless specifically stated
21 otherwise by law;

22 (2) Any balance remaining in the Rainy Day Fund from funds made
23 available for a Rainy Day Fund Set-Aside by the 91st General Assembly shall
24 be carried forward in the Rainy Day Fund;

25 (b) All unobligated and unallocated monies remaining in the "General
26 Improvement Fund" or the "Development and Enhancement Fund" on June 30, 2019
27 which are not required to finance projects to be financed therefrom pursuant
28 to appropriations enacted by the General Assembly, or which have not been
29 reappropriated or reallocated for financing from the "Development and
30 Enhancement Fund" by the 92nd General Assembly;

31 (c)(1) Any unobligated or unallocated funds remaining on July 2, 2019 in
32 the "General Revenue Allotment Reserve Fund" from monies accruing thereto
33 during the 2017-2019 fiscal biennium which are not required to finance
34 enactments of the 92st General Assembly that do not expire on June 30, 2019,
35 including all General Revenue Funds recovered from remaining fund balances;

36 (2) All General Revenue Funds recovered from remaining fund balances

1 in the "General Revenue Allotment Reserve Fund" from monies accruing thereto
2 during the 2019-2020 fiscal year which are not required to finance enactments
3 of the 92st General Assembly that do not expire on June 30, 2020;

4 (d) Those special revenues credited to the General Improvement Fund or
5 the Development and Enhancement Fund from estate taxes as set out in Arkansas
6 Code § 19-6-301(171);

7 (e) Other revenues as may be transferred or authorized by law; and

8 (f) Any funds provided by the Arkansas Attorney General from the
9 Attorney General Consumer Education and Enforcement Account, received by the
10 State of Arkansas through Settlement agreements or as designated by court
11 order.

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13 SECTION 3. DO NOT CODIFY. Rainy Day Fund Distribution and Set-Asides.

14 (a) Of those funds transferred and credited to the Rainy Day Fund as
15 authorized in Section 2 of this Act, the State Treasurer shall first set
16 aside fifty-four million six hundred sixty-nine thousand five hundred ninety-
17 eight dollars (\$54,669,598) for the "Debt Obligations/Priority Rainy Day Set-
18 Aside" enumerated in subsections (b)(1) through (b)(7) of this section.

19 (b) Debt Obligations/Priority Rainy Day Set-Aside:

20 (1) To establish the Debt Obligations/Priority Rainy Day Set-Aside
21 within the Rainy Day Fund to be distributed from time to time in amounts as
22 determined by the Chief Fiscal Officer of the State as authorized in
23 subsections (b)(2) through (b)(7).

24 (2) For transfers to subsection (A) of Section 1 of Act 411 of 2019
25 and any reappropriations authorized by the General Assembly for this purpose,
26 for lease payments associated with debt service on a 948-bed institution at
27 Malvern, a 400-bed addition at the Grimes Unit at Newport, and 862-bed
28 Special Needs Unit and addition to Ouachita River Unit at Malvern, in a sum
29 not to exceed \$10,500,000;

30 (3) For a transfer to the Economic Development Incentive Quick
31 Action Closing Fund, for incentives to attract new business and economic
32 development to the state, in a sum not to exceed \$30,000,000;

33 (4) For transfers to the University of Arkansas Fund – Division of
34 Agriculture, in a sum not to exceed \$1,869,598;

35 (5) For a transfer for the Department of Education to appropriations
36 authorized for the Succeed Scholarship Program, in a sum not to exceed

1 \$1,800,000;

2 (6) For a transfer to the State Military Department Fund Account for
3 the State Military Department - Youth Challenge Program in a sum not to
4 exceed \$500,000; and

5 (7) For a transfer to the University of Arkansas for Medical
6 Sciences National Cancer Institute Designation Trust Fund, in a sum not to
7 exceed \$10,000,000.

8 (c) If it is determined by the Chief Fiscal Officer of the State that
9 funding made available and set-aside in subsection (b) herein are not
10 required then all or any portion of those funds may be transferred from time
11 to time to the Rainy Day Fund.

12 (d)(1) The Treasurer of State shall then transfer and credit an amount
13 not to exceed thirty million dollars (\$30,000,000) to the Rainy Day Fund.

14 (2) Once the thirty million dollars (\$30,000,000) authorized in
15 subsection (d)(1) of this section is fully funded no additional funds shall
16 be transferred or credited to the Rainy Day Fund as authorized in Section 2
17 of this Act with the exception of those funds made available and allocated in
18 the Revenue Stabilization Allocations enacted by the General Assembly and any
19 remaining balances in the Rainy Day Fund as of June 30, 2019.

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21 SECTION 4. DO NOT CODIFY. Conditions and Audit. (a) Transfer of funds
22 from the "Rainy Day Fund" shall be made only after the Chief Fiscal Officer
23 of the State has determined that all criteria or pre-conditions established
24 in the appropriation act to receive the transfer have been met and that a
25 Method of Finance has been filed with the Office of Accounting in the
26 Department of Finance and Administration, if required.

27 (b) Any matching funds as may be provided in law shall be certified to
28 the Chief Fiscal Officer of the State prior to the commencement of the
29 project.

30 (c) Any recipient of the funds appropriated herein are also subject to
31 an audit by the Arkansas Legislative Audit of the Legislative Joint Auditing
32 Committee in order to determine that the use of the funds was in compliance
33 with the intent and appropriated purposes of the General Assembly.

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35 SECTION 5. DO NOT CODIFY. Funding Authority. (a) Any enactment of the
36 92nd General Assembly in either regular, fiscal or extraordinary session

1 appropriating, transferring or allocating funds to the "Rainy Day Fund" shall
2 be deemed to be payable from the "Rainy Day Fund".

3 (b) Appropriations which are not enumerated in this Act may be
4 financed from monies accruing to the "Rainy Day Fund" to fund appropriations
5 authorized by the General Assembly and as set out in law.

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7 SECTION 6. DO NOT CODIFY. Duplicate Bills Enacted. If the House and
8 the Senate bills of the 2019 Regular Session of the 92nd General Assembly to
9 define monies to be available and distributed in the Rainy Day Fund, as
10 authorized in Sections 1 through 5 of this Act, are both enacted and adopted
11 by the 92nd General Assembly in identical form, then the last Act passed or
12 latest expression shall supersede the other.

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14 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that changes in the state's fiscal
16 laws must take effect at the beginning of the fiscal year, and that if the
17 current legislative session is such that the ninety-day period is later than
18 July 1, 2019, the changes required by this act will not be timely.
19 Therefore, an emergency is declared to exist, and this act being necessary
20 for the preservation of the public peace, health, and safety shall become
21 effective on July 1, 2019.

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24 /s/Teague
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