

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H2/20/25

A Bill

HOUSE BILL 1508

5 By: Representatives M. Shepherd, Gazaway
6 By: Senators C. Tucker, J. Bryant
7

For An Act To Be Entitled

9 AN ACT CONCERNING THE RECODIFICATION OF TITLE 19 OF
10 THE ARKANSAS CODE CONCERNING PUBLIC FINANCE; TO
11 REPEAL AND RECODIFY TITLE 19 OF THE ARKANSAS CODE
12 WITH CERTAIN EXCEPTIONS; TO AMEND LAWS RESULTING FROM
13 INITIATED ACTS 2000, NO. 1; TO MAKE CONFORMING
14 CHANGES TO THE ARKANSAS CODE; AND FOR OTHER PURPOSES.
15
16

Subtitle

18 TO RECODIFY TITLE 19 OF THE ARKANSAS
19 CODE CONCERNING PUBLIC FINANCE; AND TO
20 AMEND LAWS RESULTING FROM INITIATED ACTS
21 2000, NO. 1; AND TO MAKE CONFORMING
22 CHANGES TO THE ARKANSAS CODE.
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. DO NOT CODIFY. Repeal of Arkansas Code, Title 19 –
27 Exceptions.

28 (a) Except as provided in subsection (b) of this section, Arkansas
29 Code, Title 19, is repealed.

30 (b) The following portions of Arkansas Code, Title 19, are not
31 repealed:

32 (1) Section 19-4-803, resulting from Initiated Acts 2000, No. 1,
33 § 19, and concerning exemptions from the laws regarding the expenditure of
34 cash funds;

35 (2) The Tobacco Settlement Proceeds Act, § 19-12-101 et seq.,
36 resulting from Initiated Acts 2000, No. 1, §§ 1-18;



1 (3) The Appendix to Arkansas Code, Title 19; and
2 (4) Sections for which repeal is prohibited under Section 373 of
3 this act.

4
5 SECTION 2. DO NOT CODIFY. Legislative findings and intent.

6 (a) The General Assembly finds that:

7 (1) Following its implementation in 1987, the Arkansas Code has
8 not undergone any recodification that is customary for statutory codes of its
9 type;

10 (2) The Arkansas Code Revision Commission asked staff of the
11 Bureau of Legislative Research to assemble a nonsubstantive, technical
12 recodification of Arkansas Code, Title 19, that contained technical changes
13 to the language of Title 19 and transferred certain material from Title 19 to
14 more appropriate titles of the Arkansas Code;

15 (3) The commission also asked the bureau to form a working group
16 of various state agencies, constitutional officers, and the Arkansas Bar
17 Association to review the proposed draft recodification of Title 19 for the
18 purposes of:

19 (A) Ensuring that only technical changes were made as part
20 of the recodification; and

21 (B) Obtaining input on the proposed draft from state
22 agencies, constitutional officers, and the Arkansas Bar Association;

23 (4) The working group reviewed the proposed draft recodification
24 from October 2023 until August 2024, recommended multiple technical revisions
25 to the draft recodification, and referred the revised draft to the commission
26 for its consideration; and

27 (5) At its October 2024 meeting, the commission approved the
28 draft recodification and requested that it be prepared for consideration by
29 the Ninety-Fifth General Assembly.

30 (b) It is the intent of the General Assembly that this act shall make
31 only technical, not substantive, changes to the Arkansas Code of 1987.

32
33 SECTION 3. Arkansas Code § 19-4-803, resulting from Initiated Acts
34 2000, No. 1, § 19, is amended to read as follows:

35 19-4-803. Exemptions.

36 (a) The following are exempt from this subchapter:

1 (1) Funds required by the terms of a bond indenture to be held
2 by paying agents for the payment of interest and principal on such bonds;

3 (2) Petty cash funds held by the various state agencies;

4 (3) Memorials, endowments, bequests, gifts, and donations made
5 to any state agency other than for normal operation of the agency;

6 (4) Canteen funds of state agencies other than institutions of
7 higher education, wherein the profits earned are used for the benefit of the
8 people served by that agency through the purchase of services or goods other
9 than normal salary or maintenance expenses of the agency;

10 (5) The Benefit Fund of the Division of Workforce Services;

11 (6) The Revenue Bond Guaranty Reserve Account of the Arkansas
12 Economic Development Council;

13 (7) The Illegal Drug Purchase Account and the Confidential
14 Accounts of the Division of Arkansas State Police;

15 (8) Patient funds, when the institution is acting in a trust
16 capacity or when the funds are utilized for patient activities other than
17 normal agency-provided services;

18 (9) The State Treasury Money Management Trust; and

19 (10) Any other funds determined by the Chief Fiscal Officer of
20 the State or the General Assembly, to be held in trust and on deposit in a
21 financial institution other than the State Treasury.

22 (b) The Division of Correction Plasma Center [abolished] is exempt
23 from provisions of this subchapter.

24 (c) The Arkansas Comprehensive Health Insurance Pool, created under
25 the Comprehensive Health Insurance Pool Act, § 23-79-501 et seq., and its
26 board of directors, and the Arkansas Property and Casualty Insurance Guaranty
27 Fund and its advisory association, referenced under the Arkansas Property and
28 Casualty Insurance Guaranty Act, § 23-90-101 et seq., and the Arkansas Life
29 and Health Insurance Guaranty Association and its board of directors,
30 referenced under the Arkansas Life and Health Insurance Guaranty Association
31 Act, § 23-96-101 et seq., are hereby exempt from the provisions of this
32 subchapter.

33 (d) The Tobacco Settlement Cash Holding Fund administered by the State
34 Board of Finance shall be exempt from the provisions of this subchapter.

35
36 SECTION 4. Arkansas Code §§ 19-12-101 – 19-12-118, resulting from

1 Initiated Acts 2000, No. 1, §§ 1-18, are amended to read as follows:

2 19-90-101. Title.

3 This chapter may be referred to and cited as the "Tobacco Settlement
4 Proceeds Act".

5

6 19-90-102. Definitions.

7 (a) The following terms, as used in this chapter, shall have the
8 meanings set forth in this section:

9 (1) "Act" shall mean this Arkansas Tobacco Settlement Funds Act
10 of 2000.

11 (2) "ADFA" shall mean the Arkansas Development Finance
12 Authority.

13 (3) "Arkansas Biosciences Institute" shall mean the Arkansas
14 Biosciences Institute created by § 19-90-115.

15 (4) "Arkansas Biosciences Institute Program Account" shall mean
16 the account by that name created pursuant to § 19-90-111 to be funded from
17 the Tobacco Settlement Program Fund and used by the Arkansas Biosciences
18 Institute for the purposes set forth in this chapter.

19 (5) "Arkansas Healthy Century Trust Fund" shall mean that public
20 trust for the benefit of the citizens of the State of Arkansas created and
21 established pursuant to § 19-90-107.

22 (6) "Arkansas Tobacco Settlement Commission" shall mean the
23 entity that administers the programs established pursuant to this chapter,
24 also known as "ATSC", which is described and established in § 19-90-117.

25 (7) "Arkansas Tobacco Settlement Commission Fund" shall mean the
26 fund by that name created pursuant to § 19-90-108(f) to be used by the
27 Arkansas Tobacco Settlement Commission for the purposes set forth in § 19-90-
28 117.

29 (8) "Bonds" shall mean any and all bonds, notes, or other
30 evidences of indebtedness issued by ADFA as Tobacco Settlement Revenue Bonds
31 pursuant to the terms of this chapter.

32 (9) "Capital Improvement Projects" shall mean the acquisition,
33 construction and equipping of land, buildings, and appurtenant facilities,
34 including but not limited to parking and landscaping, all intended for the
35 provision of health care services, health education, or health-related
36 research; provided that each such Capital Improvement Project must be either

1 set forth in this chapter or subsequently designated by the General Assembly
2 pursuant to legislation.

3 (10) "Debt Service Requirements" shall mean all amounts required
4 to be paid in connection with the repayment of Bonds issued pursuant to this
5 chapter, including, but not limited to, the principal of and interest on the
6 Bonds, amounts reasonably required for a debt service reserve, amounts
7 reasonably required to provide debt service coverage, trustee's and paying
8 agent fees, and, to the extent reasonably necessary, capitalized interest on
9 the Bonds.

10 (11) "Initial MSA Disbursement" shall mean the first
11 disbursement from the MSA Escrow to the State, consisting of Arkansas' share
12 of payments from Participating Manufacturers due under the Master Settlement
13 Agreement and designated as the 1998 First Payment, the 2000 Initial Payment,
14 and the 2000 Annual Payment, which amounts, along with any accumulated
15 interest, represent all money due to the State and attributable to payments
16 prior to January 1, 2001.

17 (12) "Master Settlement Agreement" or "MSA" shall mean that
18 certain Master Settlement Agreement between certain states (the "Settling
19 States") and certain tobacco manufacturers (the "Participating
20 Manufacturers"), pursuant to which the Participating Manufacturers have
21 agreed to make certain payments to each of the Settling States.

22 (13) "Medicaid Expansion Program Account" shall mean the account
23 by that name created pursuant to § 19-90-112 to be funded from the Tobacco
24 Settlement Program Fund and used by the Department of Human Services for the
25 purposes set forth in this chapter.

26 (14) "MSA Disbursements" shall mean all amounts disbursed from
27 the MSA Escrow pursuant to the Master Settlement Agreement to the State of
28 Arkansas.

29 (15) "MSA Disbursement Date" shall mean any date on which MSA
30 Disbursements are made to the State of Arkansas pursuant to the Master
31 Settlement Agreement at the request of the State.

32 (16) "MSA Escrow" shall mean those escrow accounts established
33 to hold the State of Arkansas's share of the Tobacco Settlement proceeds
34 prior to disbursement to the State pursuant to the Master Settlement
35 Agreement.

36 (17) "MSA Escrow Agent" shall mean that agent appointed pursuant

1 to the Escrow Agreement entered into between the Settling States and the
2 Participating Manufacturers pursuant to the Master Settlement Agreement.

3 (18) "Participating Manufacturers" shall mean those entities
4 defined as Participating Manufacturers by the terms of the Master Settlement
5 Agreement.

6 (19) "Prevention and Cessation Program Account" shall mean the
7 account by that name created pursuant to § 19-90-109 to be funded from the
8 Tobacco Settlement Program Fund and used for the purposes set forth in this
9 chapter.

10 (20) "Program Accounts" shall mean, collectively, the Prevention
11 and Cessation Program Account, the Targeted State Needs Program Account, the
12 Arkansas Biosciences Institute Program Account, and the Medicaid Expansion
13 Program Account.

14 (21) "State Board of Finance" shall mean the entity created
15 pursuant to § 19-3-501, as amended.

16 (22) "Targeted State Needs Programs Account" shall mean the
17 account by that name created pursuant to § 19-90-110 to be funded from the
18 Tobacco Settlement Program Fund and used for the purposes set forth in this
19 chapter.

20 (23) "Tobacco Settlement" shall mean the State of Arkansas's
21 share of funds to be distributed pursuant to the Master Settlement Agreement
22 between the Settling States and the Participating Manufacturers.

23 (24) "Tobacco Settlement Cash Holding Fund" shall mean the Fund
24 established as a cash fund outside of the State Treasury pursuant to § 19-90-
25 104, into which all MSA Disbursements shall be deposited on each MSA
26 Disbursement Date.

27 (25) "Tobacco Settlement Debt Service Fund" shall mean the Fund
28 established as a cash fund outside of the State Treasury pursuant to § 19-90-
29 105.

30 (26) "Tobacco Settlement Program Fund" or "Program Fund" shall
31 mean the Tobacco Settlement Program Fund established pursuant to § 19-90-108,
32 which shall be used to hold and distribute funds to the various Program
33 Accounts created by this chapter.

34 (27) "Trust indenture" or "indenture" shall mean any trust
35 indenture, ADFA resolution, or other similar document under which Tobacco
36 Settlement Revenue Bonds are to be issued and secured.

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19-90-103. Grant of authority to State Board of Finance.

The State Board of Finance is hereby authorized and directed to perform the following duties with respect to the Tobacco Settlement:

(a) The State Board of Finance is authorized and directed on behalf of the State of Arkansas to receive all authorized disbursements from the MSA Escrow. The Initial MSA Disbursement and each subsequent MSA Disbursement shall be immediately deposited into the Tobacco Settlement Cash Holding Fund, and distributed from there as prescribed in this chapter. The Office of the Attorney General is directed to take all action necessary to inform the MSA Escrow Agent that the State Board of Finance is authorized to receive such disbursements on behalf of the State.

(b) The State Board of Finance shall manage and invest all amounts held in the Tobacco Settlement Cash Holding Fund, the Tobacco Settlement Debt Service Fund, the Arkansas Healthy Century Trust Fund, the Tobacco Settlement Program Fund, the Arkansas Tobacco Settlement Commission Fund, and the Program Accounts, and shall have full power to invest and reinvest the moneys in such funds and accounts and to hold, purchase, sell, assign, transfer, or dispose of any of the investments so made as well as the proceeds of the investments and moneys, pursuant to the following standards:

(1) with respect to amounts in the Arkansas Healthy Century Trust Fund, all investments shall be pursuant to and in compliance with the prudent investor and other applicable standards set forth in §§ 24-3-408 [repealed], 24-3-414 [repealed], 24-3-415 [repealed], and 24-3-417 – 24-3-425 [repealed], and § 19-3-318;

(2) with respect to amounts in the Tobacco Settlement Debt Service Fund, all investments shall be pursuant to and in compliance with the prudent investor and other applicable standards set forth in §§ 24-3-408 [repealed], 24-3-414 [repealed], 24-3-415 [repealed], and 24-3-417 – 24-3-425 [repealed], and § 19-3-318; provided further that the types and manner of such investments may be further limited as set forth in § 19-90-105; and

(3) with respect to amounts held in the Tobacco Settlement Cash Holding Fund, the Tobacco Settlement Program Fund, each of the Program Accounts, and the Arkansas Tobacco Settlement Commission Fund, all investments shall be of the type described in § 19-3-310 and shall be made with depositories designated pursuant to § 19-3-307; or such investment shall

1 be in certificates of deposit, in securities as outlined in § 23-47-401
2 without limitation or as approved in the State Board of Finance investment
3 policy. The State Board of Finance shall insure that such investments shall
4 mature or be redeemable at the times needed for disbursements from such funds
5 and accounts pursuant to this chapter.

6 (c) The State Board of Finance is authorized to employ such
7 professionals as it deems necessary and desirable to assist it in properly
8 managing and investing the Arkansas Healthy Century Trust Fund, pursuant to
9 the standards set forth in § 24-3-425 [repealed].

10 (d) The State Board of Finance is authorized to use investment
11 earnings from the Arkansas Healthy Century Trust Fund to compensate the
12 professionals retained under subsection (d), and to pay the reasonable costs
13 and expenses of the State Board of Finance in administering the funds and
14 accounts created under this chapter and performing all other duties ascribed
15 to it hereunder.

16 (e) On the last day of each month, the State Board of Finance shall
17 provide the Department of Finance and Administration, Office of Accounting
18 with the current balances in the Tobacco Settlement Cash Holding Fund, the
19 Arkansas Healthy Century Trust Fund, the Tobacco Settlement Program Fund, the
20 Tobacco Settlement Debt Service Fund, the Arkansas Tobacco Settlement
21 Commission Fund, and each Program Account.

22 (f) The State Board of Finance is authorized and directed to perform
23 all other tasks that may be assigned to the State Board of Finance pursuant
24 to this chapter.

25

26 19-90-104. Creation and administration of Tobacco Settlement Cash
27 Holding Fund.

28 (a) There is hereby created and established a fund, held separate and
29 apart from the State Treasury, to be known as the "Tobacco Settlement Cash
30 Holding Fund", which fund shall be administered by the State Board of
31 Finance.

32 (b) All moneys received as part of the Tobacco Settlement are hereby
33 designated cash funds pursuant to § 19-40-103, restricted in their use and to
34 be used solely as provided in this chapter. All MSA Disbursements shall be
35 initially deposited into the credit of the Tobacco Settlement Cash Holding
36 Fund, when and as received. Any and all MSA Disbursements received prior to

1 the effective date of this Act shall be immediately transferred to the
2 Tobacco Settlement Cash Holding Fund upon this chapter becoming effective.
3 The Tobacco Settlement Cash Holding Fund is intended as a cash fund, not
4 subject to appropriation, and, to the extent practical, amounts in the
5 Tobacco Settlement Cash Holding Fund shall be immediately distributed to the
6 other Funds and Accounts described in this chapter.

7 (c) The Initial MSA Disbursement shall be distributed from the Tobacco
8 Settlement Cash Holding Fund to the Arkansas Healthy Century Trust Fund as an
9 initial endowment pursuant to § 19-90-107.

10 (d) After the Initial MSA Disbursement has been transferred as set
11 forth in subsection (c) of this section, the State Board of Finance,
12 beginning with MSA Disbursements for years 2001 and thereafter, shall receive
13 all amounts due to the State from the MSA Escrow. In calendar year 2001,
14 there shall first be deposited into the Arkansas Healthy Century Trust Fund
15 from the MSA Disbursements attributable to calendar year 2001, the amount
16 necessary to bring the principal amount of the Arkansas Healthy Century Trust
17 Fund to one-hundred million dollars (\$100,000,000). The remainder of any MSA
18 Disbursements attributable to calendar year 2001 shall be deposited into the
19 Tobacco Settlement Program Fund and distributed pursuant to § 19-90-108.
20 Beginning in 2002, and for each annual MSA Disbursement thereafter, all MSA
21 Disbursements shall be immediately deposited into the Tobacco Settlement Cash
22 Holding Fund and then distributed, as soon as practical after receipt, as
23 follows:

24 (1) The first five million dollars (\$5,000,000) received as an
25 MSA Disbursement in each calendar year beginning in 2002 shall be transferred
26 from the Tobacco Settlement Cash Holding Fund to the Tobacco Settlement Debt
27 Service Fund; and

28 (2) After the transfer described in § 19-90-104(d)(1), the
29 amounts remaining in the Tobacco Settlement Cash Holding Fund shall be
30 transferred to the Tobacco Settlement Program Fund.

31 (e) While it is intended that the State Board of Finance will transfer
32 funds from the Tobacco Settlement Cash Holding Fund immediately upon receipt,
33 to the extent that any amounts must be held pending the transfers described
34 in § 19-90-104(c) and (d), the State Board of Finance is authorized to invest
35 such amounts in suitable investments maturing not later than when the moneys
36 are expected to be transferred, provided that such investments are made in

1 compliance with § 19-90-103(c).

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3 19-90-105. Creation and administration of Tobacco Settlement Debt
4 Service Fund.

5 (a) There is hereby created and established a fund, designated as a
6 cash fund and held separate and apart from the State Treasury, to be known as
7 the "Tobacco Settlement Debt Service Fund", which Fund shall be administered
8 by the State Board of Finance. All moneys deposited into the Tobacco
9 Settlement Debt Service Fund are hereby designated cash funds pursuant to §
10 19-40-103, restricted in their use and to be used solely as provided in this
11 chapter.

12 (b) There shall be transferred from the Tobacco Settlement Cash
13 Holding Fund to the Tobacco Settlement Debt Service Fund, the amount set
14 forth for such transfer in § 19-90-104(d). All amounts received into the
15 Tobacco Settlement Debt Service Fund shall be held until needed to make
16 payments on Debt Service Requirements. The State Board of Finance is
17 authorized to invest any amounts held in the Tobacco Settlement Debt Service
18 Fund in suitable investments maturing not later than when the moneys are
19 needed to pay Debt Service Requirements, provided that such investments
20 comply with § 19-90-103(c), and further provided that the investment of such
21 moneys may be further limited by the provisions of any trust indenture
22 pursuant to which Bonds are issued or any related non-arbitrage certificate
23 or tax regulatory agreement.

24 (c) Amounts held in the Tobacco Settlement Debt Service Fund shall be
25 transferred to funds and accounts established and held by the trustee for the
26 Bonds at such times and in such manner as may be specified in the trust
27 indenture securing the Bonds. If so required by any trust indenture pursuant
28 to which Bonds have been issued, amounts deposited into the Tobacco
29 Settlement Debt Service Fund may be immediately deposited into funds or
30 accounts established by such trust indenture and held by the trustee for the
31 Bonds. The State Board of Finance is authorized to execute any consent,
32 pledge, or other document, reasonably required pursuant to a trust indenture
33 to affirm the pledge of amounts held in the Tobacco Settlement Debt Service
34 Fund to secure Tobacco Settlement Revenue Bonds.

35 (d) On December 15 of each calendar year, any amounts held in the
36 Tobacco Settlement Debt Service Fund, to the extent such amounts are not

1 needed to pay Debt Service Requirements prior to the following April 15,
2 shall be transferred to the Arkansas Healthy Century Trust Fund. At such time
3 as there are no longer any Bonds outstanding, and all Debt Service
4 Requirements and other contractual obligations have been paid in full,
5 amounts remaining in the Tobacco Settlement Debt Service Fund shall be
6 transferred to the Arkansas Healthy Century Trust Fund.

7
8 19-90-106. Issuance of tobacco settlement revenue bonds by Arkansas
9 Development Finance Authority.

10 (a) The Arkansas Development Finance Authority ("ADFA") is hereby
11 directed and authorized to issue Tobacco Settlement Revenue Bonds, the
12 proceeds of which are to be used for financing the Capital Improvement
13 Projects described in § 19-90-106(b). The Bonds may be issued in series from
14 time to time, and shall be special obligations only of ADFA, secured solely
15 by the revenue sources set forth in this section.

16 (b) The Capital Improvement Projects to be financed shall be:

17 (1) University of Arkansas for Medical Sciences, Biosciences
18 Research Building; provided, however, that no more than two million, two
19 hundred thousand dollars (\$2,200,000) of the annual transfer to the Tobacco
20 Settlement Debt Service Fund shall be allocated in any one year to pay Debt
21 Service Requirements for this project, and provided further that no more than
22 twenty-five million dollars (\$25,000,000) in principal amount of Tobacco
23 Settlement Revenue Bonds may be issued for this project;

24 (2) Arkansas State University Biosciences Research Building;
25 provided, however, that no more than one million, eight hundred thousand
26 dollars (\$1,800,000) of the annual transfer to the Tobacco Settlement Debt
27 Service Fund shall be allocated in any one year to pay Debt Service
28 Requirements for this project, and provided further that no more than twenty
29 million dollars (\$20,000,000) in principal amount of Tobacco Settlement
30 Revenue Bonds may be issued for this project;

31 (3) College of Public Health of the University of Arkansas for
32 Medical Sciences; provided, however, that no more than one million dollars
33 (\$1,000,000) of the annual transfer to the Tobacco Settlement Debt Service
34 Fund shall be allocated in any one year to pay Debt Service Requirements for
35 this project, and provided further that no more than fifteen million dollars
36 (\$15,000,000) in principal amount of Tobacco Settlement Revenue Bonds may be

1 issued for this project; and

2 (4) Only such other capital improvement projects related to the
3 provision of health care services, health education, or health-related
4 research as designated by legislation enacted by the General Assembly;
5 provided that the deposits to the Tobacco Settlement Debt Service Fund are
6 adequate to pay Debt Service Requirements for such additional projects.

7 (c) Prior to issuance of any series of Bonds authorized herein, ADFA
8 shall adopt a resolution authorizing the issuance of such series of Bonds.
9 Each such resolution shall contain such terms, covenants, conditions, as
10 deemed desirable and consistent with this chapter together with provisions of
11 the Arkansas Development Finance Authority Act, § 15-5-101 et seq., § 15-5-
12 201 et seq., and § 15-5-301 et seq., including without limitation, those
13 pertaining to the establishment and maintenance of funds and accounts,
14 deposit and investment of Bond proceeds and the rights and obligations of
15 ADFA and the registered owners of the Bonds. In authorizing, issuing, selling
16 the Bonds and in the investment of all funds held under the resolution or
17 indenture securing such Bonds, ADFA shall have the powers and be governed by
18 the provisions of §§ 15-5-309 and 15-5-310.

19 (d) The Bonds shall be special obligations of ADFA, secured and
20 payable from deposits made into the Tobacco Settlement Debt Service Fund
21 created pursuant to this chapter. In pledging revenues to secure the Bonds,
22 the provisions of § 15-5-313 shall apply.

23 (e) If so determined by ADFA, the Bonds may additionally be secured by
24 a lien on or security interest in facilities financed by the Bonds, by a lien
25 or pledge of loans made by ADFA to the user of such facilities, and any
26 collateral security received by ADFA, including, without limitation, ADFA's
27 interest in and any revenue derived from any loan agreements. It shall not be
28 necessary to the perfection of the lien and pledge for such purposes that the
29 trustee in connection with such bond issue or the holders of the Bonds take
30 possession of the loans, mortgages and collateral security.

31 (f) It shall be plainly stated on the face of each Bond that it has
32 been issued under this chapter, and the Arkansas Development Finance
33 Authority Act, § 15-5-101 et seq., § 15-5-201 et seq., and § 15-5-301 et
34 seq., that the Bonds shall be obligations only of ADFA secured as specified
35 herein and that, in no event, shall the bonds constitute an indebtedness of
36 the State of Arkansas or an indebtedness for which the faith and credit of

1 the State of Arkansas or any of its revenues are pledged or an indebtedness
2 secured by lien, or security interest in any property of the State.

3 (g) The Bonds may be issued in one or more series, as determined by
4 ADFA. Additional Bonds may be issued in one or more series to fund additional
5 Capital Improvement Projects subsequently designated pursuant to § 19-90-
6 106(b)(4), so long as ADFA determines that revenues transferred to the
7 Tobacco Settlement Debt Service Fund, in combination with other revenues
8 available to secure the Bonds pursuant to § 19-90-106(e); will be sufficient
9 to meet all Debt Service Requirements on such additional Bonds and any other
10 Bonds then outstanding.

11 (h) Any funds remaining and available to ADFA or the trustees under
12 any indenture or resolution authorized herein after the retirement of all
13 Bonds outstanding under such indenture or resolution, and the satisfaction of
14 all contractual obligations related thereto and all current expenses of ADFA
15 related thereto, shall be transferred to the Arkansas Healthy Century Trust
16 Fund.

17 (i) ADFA may issue Bonds for the purpose of refunding Bonds previously
18 issued pursuant to this chapter, and in doing so shall be governed by the
19 provisions of § 15-5-314.

20 (j) All Bonds issued under this chapter, and interest thereon, shall
21 be exempt from all taxes of the State of Arkansas, including income,
22 inheritance, and property taxes. The Bonds shall be eligible to secure
23 deposits of all public funds, and shall be legal for investment of municipal,
24 county, bank, fiduciary, insurance company and trust funds.

25 (k) The State of Arkansas does hereby pledge to and agree with the
26 holders of any Tobacco Settlement Revenue Bonds issued pursuant to this
27 chapter that the State shall not (1) limit or alter the distribution of the
28 Tobacco Settlement moneys to the Tobacco Settlement Debt Service Fund if such
29 action would materially impair the rights of the holders of the Bonds, (2)
30 amend or modify the Master Settlement Agreement in any way if such action
31 would materially impair the rights of the holders of the Bonds, (3) limit or
32 alter the rights vested in ADFA to fulfill the terms of any agreements made
33 with the holders of the Bonds, or (4) in any way impair the rights and
34 remedies of the holders of the Bonds, unless and until all Bonds issued
35 pursuant to this chapter, together with interest on the Bonds, and all costs
36 and expenses in connection with any action or proceeding by or on behalf of

1 the holders of the Bonds, have been paid, fully met, and discharged. ADFA is
2 authorized to include this pledge and agreement in any agreement with the
3 holders of the Bonds.

4
5 19-90-107. Creation and administration of Arkansas Healthy Century
6 Trust Fund.

7 (a) There is hereby created and established on the books of the
8 Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the
9 State, a trust fund, to be created as a public trust for the benefit of the
10 State of Arkansas, to be known as the "Arkansas Healthy Century Trust Fund",
11 which Trust Fund shall be administered by the State Board of Finance. Such
12 fund shall be restricted in its use and is to be used solely as provided in
13 this chapter.

14 (b) The Arkansas Healthy Century Trust Fund shall be a perpetual
15 trust, the beneficiary of which shall be the State of Arkansas and the
16 programs of the State of Arkansas enumerated in this section. The State Board
17 of Finance, as it may from time to time be comprised, is hereby appointed as
18 trustee of the Arkansas Healthy Century Trust Fund. Such trust shall be
19 revocable, and subject to amendment.

20 (c) The Arkansas Healthy Century Trust Fund shall be administered in
21 accordance with the provisions of this section, which shall, for all
22 purposes, be deemed to be the governing document of the public trust.

23 (d) The Arkansas Healthy Century Trust Fund shall be funded in an
24 initial principal amount of one hundred million dollars (\$100,000,000) as
25 provided in § 19-90-104. All earnings on investments of amounts in the
26 Arkansas Healthy Century Trust Fund, to the extent not used for the purposes
27 enumerated in subsection (e) of this section, shall be redeposited into the
28 Arkansas Healthy Century Trust Fund, it being the intent of this chapter that
29 the Arkansas Healthy Century Trust Fund shall grow in principal amount until
30 needed for programs and purposes to benefit the State of Arkansas.

31 (e) The Arkansas Healthy Century Trust Fund shall be held in trust and
32 used for the following purposes, and no other purposes:

33 (1) investment earnings on the Arkansas Healthy Century Trust
34 Fund may be used for:

35 (A) the payment of expenses related to the
36 responsibilities of the State Board of Finance as set forth in § 19-90-103;

1 and

2 (B) such programs, and other projects related to
3 healthcare services, health education, and health-related research as shall,
4 from time to time, be designated in legislation adopted by the General
5 Assembly;

6 (2) the principal amounts in the Arkansas Healthy Century Trust
7 Fund may be used for such programs, and other projects related to healthcare
8 services, health education, and health-related research as shall, from time
9 to time, be designated in legislation adopted by the General Assembly, it
10 being the intent of this chapter that the principal amount of the Arkansas
11 Healthy Century Trust Fund should not be appropriated without amendment of
12 this public trust; and

13 (3) notwithstanding subdivisions (e)(1) and (2) of this section,
14 investment earnings and principal amounts from the Arkansas Healthy Century
15 Trust Fund may be transferred as designated in legislation adopted by the
16 General Assembly.

17 (f) It is intended that the beneficiaries of the Arkansas Healthy
18 Century Trust Fund be the State of Arkansas and its programs, and other
19 projects related to healthcare services, health education, and health-related
20 research, as such are now in existence or as such may be created in the
21 future.

22 (g) The State Board of Finance, as trustee of the Arkansas Healthy
23 Century Trust Fund, is authorized to invest all amounts held in the Arkansas
24 Healthy Century Trust Fund in investments pursuant to and in compliance with
25 § 19-90-103(c).

26

27 19-90-108. Creation and administration of the Tobacco Settlement
28 Program Fund.

29 (a) There is hereby created and established on the books of the
30 Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the
31 State a trust fund to be known as the "Tobacco Settlement Program Fund",
32 which fund shall be administered by the State Board of Finance. All moneys
33 deposited into the Tobacco Settlement Program Fund are hereby restricted in
34 their use and to be used solely as provided in this chapter. All expenditures
35 and obligations that are payable from the Tobacco Settlement Program Fund and
36 from each of the program accounts shall be subject to the same fiscal

1 control, accounting, budgetary, and purchasing laws as are expenditures and
2 obligations payable from other State Treasury funds, except as specified
3 otherwise in this chapter. The Chief Fiscal Officer of the State may require
4 additional controls, procedures, and reporting requirements that he or she
5 determines are necessary to carry out the intent of this chapter.

6 (b) There shall be transferred from the Tobacco Settlement Cash
7 Holding Fund to the Tobacco Settlement Program Fund the amounts set forth for
8 such transfer as provided in § 19-90-104.

9 (c) Amounts deposited into the Tobacco Settlement Program Fund shall,
10 prior to the distribution to the program accounts set forth in § 19-90-
11 108(d)(1), be held and invested in investments pursuant to and in compliance
12 with § 19-90-103(c); provided, that all such investments must mature or be
13 redeemable without penalty on or prior to the next-succeeding June 30.

14 (d)(1) On each July 1, the amounts deposited into the Tobacco
15 Settlement Program Fund, excluding investment earnings, shall be transferred
16 to the various program accounts as follows:

17 (A) Fifteen and eight-tenths percent (15.8%) of amounts in
18 the Tobacco Settlement Program Fund shall be transferred to the Targeted
19 State Needs Program Account;

20 (B) Twenty-two and eight-tenths percent (22.8%) of amounts
21 in the Tobacco Settlement Program Fund shall be transferred to the Arkansas
22 Biosciences Institute Program Account; and

23 (C) Thirty-four and two-tenths percent (34.2%) of amounts
24 in the Tobacco Settlement Program Fund shall be transferred to the Medicaid
25 Expansion Program Account.

26 (2)(A) The Prevention and Cessation Program Account may receive
27 loans from the Budget Stabilization Trust Fund in amounts determined by the
28 Chief Fiscal Officer of the State that shall not exceed twenty-seven and two-
29 tenths percent (27.2%) of the amounts estimated to be received in the Tobacco
30 Settlement Program Fund during the current fiscal year. This estimate shall
31 not include moneys returned to the Tobacco Settlement Program Fund under
32 subdivision (e)(1) of this section.

33 (B) The loans shall be repaid from twenty-seven and two-
34 tenths percent (27.2%) of amounts received in the Tobacco Settlement Program
35 Fund during the fiscal year in which the loans are made. The loans shall be
36 repaid before the end of the fiscal year. After the loans have been repaid,

1 the Prevention and Cessation Program Account shall be transferred the
2 difference between twenty-seven and two-tenths percent (27.2%) of amounts
3 received in the Tobacco Settlement Program Fund during the fiscal year in
4 which the loans are made and the amount of the loans.

5 (e)(1) All moneys distributed to the program accounts set forth in
6 subdivision (d)(1) of this section and remaining at the end of each fiscal
7 biennium shall be transferred to the Tobacco Settlement Program Fund by the
8 board. The amounts will be held in the Tobacco Settlement Program Fund and
9 then redeposited on July 1 as follows:

10 (A) Twenty-three and one-tenth percent (23.1%) of amounts
11 in the Tobacco Settlement Program Fund shall be transferred to the Targeted
12 State Needs Program Account;

13 (B) Thirty-three and three-tenths percent (33.3%) of
14 amounts in the Tobacco Settlement Program Fund shall be transferred to the
15 Arkansas Biosciences Institute Program Account; and

16 (C) Forty-three and six-tenths percent (43.6%) of amounts
17 in the Tobacco Settlement Program Fund shall be transferred to the Medicaid
18 Expansion Program Account.

19 (2) However, if the director of any agency receiving funds from
20 the Tobacco Settlement Program Fund determines that there is a need to retain
21 a portion of the amounts transferred under this section, the director may
22 submit a request and written justification to the Chief Fiscal Officer of the
23 State. Upon determination by the Chief Fiscal Officer of the State that
24 sufficient justification exists, and after certification by the Arkansas
25 Tobacco Settlement Commission that the program has met the criteria
26 established in § 19-90-118, such amounts requested shall remain in the
27 account at the end of a biennium, there to be used for the purposes
28 established by this chapter; provided, that the Chief Fiscal Officer of the
29 State shall seek the review of the Legislative Council prior to approval of
30 any such request.

31 (f) The board shall invest all moneys held in the Tobacco Settlement
32 Program Fund and in each of the program accounts. All investment earnings on
33 such funds and accounts shall be transferred on each July 1 to a fund hereby
34 established and as a trust fund on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State and designated as
36 the Arkansas Tobacco Settlement Commission Fund. Such fund is to be a trust

1 fund and administered by the board. All moneys deposited into the Arkansas
2 Tobacco Settlement Commission Fund are hereby restricted in their use and to
3 be used solely as provided in this chapter. Amounts held in the Arkansas
4 Tobacco Settlement Commission Fund shall be used to pay the costs and
5 expenses of the commission, including the monitoring and evaluation program
6 established pursuant to § 19-90-118, and to provide grants as authorized in §
7 19-90-117.

8
9 19-90-109. Creation of Prevention and Cessation Program Account.

10 (a) There is hereby created a trust fund on the books of the Treasurer
11 of State, the Auditor of State, and the Chief Fiscal Officer of the State
12 within the Tobacco Settlement Program Fund maintained by the State Board of
13 Finance, an account to be known as the "Prevention and Cessation Program
14 Account". The account shall be used by the Department of Health for such
15 purposes and in such amounts as may be appropriated in law.

16 (b) All moneys deposited into the account except for investment
17 earnings shall be used for the purposes set forth in § 19-90-113 or such
18 other purposes as may be appropriated in law.

19 (c) Moneys remaining in the account at the end of each fiscal year
20 shall be carried forward and used for the purposes provided by law.

21
22 19-90-110. Creation of the Targeted State Needs Program Account.

23 (a) There is hereby created a trust fund on the books of the Treasurer
24 of State, the Auditor of State, and the Chief Fiscal Officer of the State,
25 within the Tobacco Settlement Program Fund maintained by the State Board of
26 Finance, an account to be known as the "Targeted State Needs Program
27 Account". Such account shall be used for such purposes and in such amounts as
28 may be appropriated by law.

29 (b) On each July 1, there shall be transferred from the fund to the
30 account the amount specified in § 19-90-108(d)(1)(A).

31 (c) All moneys deposited into the account except for investment
32 earnings shall be used for the purposes set forth in § 19-90-114, or such
33 other purposes as may be appropriated in law. Of the amounts deposited into
34 the account, the following proportions shall be used to fund the programs
35 established in § 19-90-114:

36 (1) College of Public Health of the University of Arkansas for

1 Medical Sciences – thirty-three per cent (33%);
2 (2) Area Health Education Center located in Helena – twenty-two
3 per cent (22%);

4 (3) Donald W. Reynolds Center on Aging of the University of
5 Arkansas for Medical Sciences – twenty-two per cent (22%); and

6 (4) Minority Health Initiative, administered by the Arkansas
7 Minority Health Commission – twenty-three per cent (23%).

8 (d) Moneys remaining in the account at the end of the first fiscal
9 year of a biennium shall be carried forward and used for the purposes
10 provided by law. Such amounts that remain at the end of a biennium shall be
11 transferred to the Tobacco Settlement Program Fund pursuant to § 19-90-
12 108(e).

13

14 19-90-111. Creation of Arkansas Biosciences Institute Program Account.

15 (a) There is hereby created a trust fund on the books of the Treasurer
16 of State, the Auditor of State, and the Chief Fiscal Officer of the State,
17 within the Tobacco Settlement Program Fund maintained by the State Board of
18 Finance, an account to be known as the Arkansas Biosciences Institute Program
19 Account. Such account shall be used by the Arkansas Biosciences Institute and
20 its members for such purposes and in such amounts as may be appropriated in
21 law.

22 (b) On each July 1, there shall be transferred from the fund to the
23 account the amount specified in § 19-90-108(d)(1)(B).

24 (c) All moneys deposited into the account except for investment
25 earnings shall be used for the purposes set forth in § 19-90-115 or such
26 other purposes as may be appropriated in law.

27 (d) Moneys remaining in the account at the end of the first fiscal
28 year of a biennium shall be carried forward and used for the purposes
29 provided by law. Such amounts that remain at the end of a biennium shall be
30 transferred to the fund pursuant to § 19-90-108(e).

31

32 19-90-112. Creation of Medicaid Expansion Program Account.

33 (a) There is hereby created a trust fund on the books of the Treasurer
34 of State, the Auditor of State, and the Chief Fiscal Officer of the State,
35 within the Tobacco Settlement Program Fund maintained by the State Board of
36 Finance, an account to be known as the “Medicaid Expansion Program Account”.

1 Such account shall be used by the Department of Human Services for such
2 purposes and in such amounts as may be appropriated in law. These funds shall
3 not be used to replace or supplant other funds available in the Department of
4 Human Services Grants Fund Account. The funds appropriated for this program
5 shall not be expended, except in conformity with federal and state laws, and
6 then only after the department obtains the necessary approvals from the
7 federal Centers for Medicare & Medicaid Services.

8 (b) On each July 1, there shall be transferred from the fund to the
9 account the amount specified in § 19-90-108(d)(1)(C).

10 (c) All moneys deposited into the account except for investment
11 earnings shall be used for the purposes set forth in § 19-90-116, or such
12 other purposes as may be appropriated in law.

13 (d) Moneys remaining in the account at the end of the first fiscal
14 year of a biennium shall be carried forward and used for the purposes
15 provided by law. Such amounts that remain at the end of a biennium shall be
16 transferred to the fund pursuant to § 19-90-108(e).

17 (e)(1) The Chief Fiscal Officer of the State shall establish separate
18 paying accounts for the Medicaid Expansion Program to be used exclusively to
19 draw down federal funds associated with the federal share of expenditures and
20 for the state share of expenditures transferred from the Medicaid Expansion
21 Program Account or for any other appropriate state matching funds.

22 (2) The Medicaid Expansion Program, established by Initiated Act
23 1 of 2000 and enacted in the Tobacco Settlement Proceeds Act, § 19-90-101 et
24 seq., is a separate and distinct component of the Arkansas Medicaid Program,
25 administered by the Department of Human Services and established under § 19-
26 90-116(b)(1).

27
28 19-90-113. Establishment and administration of prevention and
29 cessation programs.

30 (a) It is the intent of this chapter that the Department of Health
31 should establish the Tobacco Prevention and Cessation Program described in
32 this section, and to administer such programs in accordance with law. The
33 program described in this section shall be administered pursuant to a
34 strategic plan encompassing the elements of a mission statement, defined
35 program(s), and program goals with measurable objectives and strategies to be
36 implemented over a specific timeframe. Evaluation of each program shall

1 include performance based measures for accountability which will measure
2 specific health related results.

3 (b) The Department of Health shall be responsible for developing,
4 integrating, and monitoring tobacco prevention and cessation programs funded
5 under this chapter and shall provide administrative oversight and management,
6 including, but not limited to implementing performance based measures. The
7 Department of Health shall have authority to award grants and allocate money
8 appropriated to implement the tobacco prevention and cessation program
9 mandated under this chapter. The Department of Health may contract with those
10 entities necessary to fully implement the tobacco prevention and cessation
11 initiatives mandated under this chapter. Within thirty (30) days of receipt
12 of moneys into the Prevention and Cessation Program Account, fifteen percent
13 (15%) of those moneys shall be deposited into a special account within the
14 prevention and cessation account at the Department of Health to be expended
15 for tobacco prevention and cessation in minority communities as directed by
16 the Secretary of the Department of Health in consultation with the Chancellor
17 of the University of Arkansas at Pine Bluff, the President of the Arkansas
18 Medical, Dental, and Pharmaceutical Association, Inc., and the League of
19 United Latin American Citizens.

20 (c) The Tobacco Prevention and Cessation Program shall be comprised of
21 components approved by the State Board of Health. The program components
22 selected by the board shall include:

- 23 (1) community prevention programs that reduce youth tobacco use;
- 24 (2) local school programs for education and prevention in grades
25 kindergarten through twelve (K-12) that should include school nurses, where
26 appropriate;
- 27 (3) enforcement of youth tobacco control laws;
- 28 (4) state-wide programs with youth involvement to increase local
29 coalition activities;
- 30 (5) tobacco cessation programs;
- 31 (6) tobacco-related disease prevention programs;
- 32 (7) a comprehensive public awareness and health promotion
33 campaign;
- 34 (8) grants and contracts funded pursuant to this chapter for
35 monitoring and evaluation, as well as data gathering; and
- 36 (9) other programs as deemed necessary by the board.

1 (d) There is hereby created an Advisory Committee to the State Board
2 of Health, to be known as the "Tobacco Prevention and Cessation Advisory
3 Committee". It shall be the duty and responsibility of the Committee to
4 advise and assist the board in carrying out the provisions of this chapter.
5 The Advisory Committee's authority shall be limited to an advisory function
6 to the board. The Advisory Committee may, in consultation with the Department
7 of Health, make recommendations to the board on the strategic plans for the
8 prevention, cessation, and awareness elements of the comprehensive Tobacco
9 Prevention and Cessation Program. The Advisory Committee may also make
10 recommendations to the board on the strategic vision and guiding principles
11 of the Tobacco Prevention and Cessation Program.

12 (e) The Advisory Committee shall be governed as follows:

13 (1) The Advisory Committee shall consist of eighteen (18)
14 members; one (1) member to be appointed by the President Pro Tempore of the
15 Senate, one (1) member to be appointed by the Speaker of the House of
16 Representatives, and sixteen (16) members to be appointed by the Governor
17 subject to confirmation by the Senate. The Governor shall consult each of the
18 following designated groups before making an appointment, and shall consist
19 of the following: one (1) member appointed to represent the Arkansas Medical
20 Society, Inc.; one (1) member shall represent the Arkansas Hospital
21 Association, Inc.; one (1) member shall represent the American Cancer
22 Society; one (1) member shall represent the American Heart Association; one
23 (1) member shall represent the American Lung Association; one (1) member
24 shall represent the Coalition for a Tobacco Free Arkansas; one (1) member
25 shall represent Arkansans for Drug Free Youth; one (1) member shall represent
26 the Division of Elementary and Secondary Education; one (1) member shall
27 represent the Arkansas Minority Health Commission; one (1) member shall
28 represent the Arkansas Center for Health Improvement; one (1) member shall
29 represent the Arkansas Association of Area Agencies on Aging; one (1) member
30 shall represent the Arkansas Nurses Association; one (1) member shall
31 represent the University of Arkansas Cooperative Extension Service; one (1)
32 member shall represent the University of Arkansas at Pine Bluff; one (1)
33 member shall represent the League of United Latin American Citizens; and one
34 (1) member shall represent the Arkansas Medical, Dental, and Pharmaceutical
35 Association, Inc. The Executive Committee of Arkansas Students Working
36 Against Tobacco shall serve as youth advisors to this Advisory Committee. All

1 members of this committee shall be residents of the State of Arkansas.

2 (2) The Advisory Committee will initially have four (4) members
3 who will serve one (1) year terms; four (4) members who will serve two (2)
4 year terms; five (5) members who will serve three (3) year terms; and five
5 (5) members who will serve four (4) years. Members of the Advisory Committee
6 shall draw lots to determine the length of the initial term. Subsequently
7 appointed members shall be appointed for four (4) year terms and no member
8 can serve more than two (2) consecutive full four (4) year terms. The terms
9 shall commence on October 1st of each year.

10 (3) Members of the Advisory Committee shall not be entitled to
11 compensation for their services, but may receive expense reimbursement in
12 accordance with § 25-16-902, to be paid from funds appropriated for this
13 program to the Department of Health.

14 (4) Members appointed to the Advisory Committee and the
15 organizations they represent shall make full disclosure of the member's
16 participation on the Committee when applying for any grant or contract funded
17 by this chapter.

18 (5) All members appointed to the Advisory Committee shall make
19 full and public disclosure of any past or present association to the tobacco
20 industry.

21 (6) The Advisory Committee shall, within ninety (90) days of
22 appointment, hold a meeting and elect from its membership a chair for a term
23 set by the Advisory Committee. The Advisory Committee shall adopt bylaws.

24 (7) The Advisory Committee shall meet at least quarterly,
25 however, special meetings may be called at any time at the pleasure of the
26 State Board of Health or pursuant to the bylaws adopted by the Advisory
27 Committee.

28 (f) The board is authorized to review the recommendations of the
29 Advisory Committee. The board shall adopt and promulgate rules, standards and
30 guidelines as necessary to implement the program in consultation with the
31 Department of Health.

32 (g) The Department of Health in implementing this Program shall
33 establish such performance based accountability procedures and requirements
34 as are consistent with law.

35 (h) Each of the programs adopted pursuant to this chapter shall be
36 subject to the monitoring and evaluation procedures described in § 19-90-118.

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19-90-114. Establishment and administration of the Targeted State Needs Programs.

(a) The University of Arkansas for Medical Sciences is hereby instructed to establish the Targeted State Needs Programs described in this section, and to administer such programs in accordance with law.

(b) The targeted state needs programs to be established are as follows:

(1) College of Public Health of the University of Arkansas for Medical Sciences;

(2) Area Health Education Center (located in Helena);

(3) Donald W. Reynolds Center on Aging of the University of Arkansas for Medical Sciences; and

(4) Minority Health Initiative administered by the Minority Health Commission.

(c)(1) College of Public Health of the University of Arkansas for Medical Sciences. The College of Public Health of the University of Arkansas for Medical Sciences is hereby established as a part of the University of Arkansas for Medical Sciences for the purpose of conducting activities to improve the health and healthcare of the citizens of Arkansas. These activities should include, but not be limited to the following functions: faculty and course offerings in the core areas of public health including health policy and management, epidemiology, biostatistics, health economics, maternal and child health, environmental health, and health and services research; with courses offered both locally and statewide via a variety of distance learning mechanisms.

(2) It is intended that the College of Public Health of the University of Arkansas for Medical Sciences should serve as a resource for the General Assembly, the Governor, state agencies, and communities. Services provided by the College of Public Health of the University of Arkansas for Medical Sciences should include, but not be limited to the following: consultation and analysis, developing and disseminating programs, obtaining federal and philanthropic grants, conducting research, and other scholarly activities in support of improving the health and healthcare of the citizens of Arkansas.

(d) Area Health Education Center. The first Area Health Education

1 Centers were founded in 1973 as the primary educational outreach effort of
2 the University of Arkansas for Medical Sciences. It is the intent of this
3 chapter that the University of Arkansas for Medical Sciences establish a new
4 Area Health Education Center to serve the following counties: Crittenden,
5 Phillips, Lee, St. Francis, Chicot, Monroe, and Desha. The new Area Health
6 Education Center shall be operated in the same fashion as other facilities in
7 the University of Arkansas for Medical Sciences Area Health Education Center
8 program including training students in the fields of medicine, nursing,
9 pharmacy and various allied health professions, and offering medical
10 residents specializing in family practice. The training shall emphasize
11 primary care, covering general health education and basic medical care for
12 the whole family. The program shall be headquartered in Helena with offices
13 in Lake Village and West Memphis.

14 (e) Donald W. Reynolds Center on Aging of the University of Arkansas
15 for Medical Sciences. It is the intent of this chapter that the University of
16 Arkansas for Medical Sciences establish, in connection with the Donald W.
17 Reynolds Center on Aging of the University of Arkansas for Medical Sciences
18 and its existing Arkansas Health Education Centers program, healthcare
19 programs around the state offering interdisciplinary educational programs to
20 better equip local healthcare professionals in preventive care, early
21 diagnosis and effective treatment for the elderly population throughout the
22 state. The satellite centers will provide access to dependable healthcare,
23 education, resource and support programs for the most rapidly growing segment
24 of the State's population. Each center's program is to be defined by an
25 assessment of local needs and priorities in consultation with local
26 healthcare professionals.

27 (f) Minority Health Initiative. It is the intent of this chapter that
28 the Arkansas Minority Health Commission establish and administer the Arkansas
29 Minority Health Initiative for screening, monitoring, and treating
30 hypertension, strokes, and other disorders disproportionately critical to
31 minority groups in Arkansas. The program should be designed:

32 (1) to increase awareness of hypertension, strokes, and other
33 disorders disproportionately critical to minorities by utilizing different
34 approaches that include but are not limited to the following: advertisements,
35 distribution of educational materials and providing medications for high risk
36 minority populations;

1 (2) to provide screening or access to screening for
2 hypertension, strokes, and other disorders disproportionately critical to
3 minorities but will also provide this service to any citizen within the state
4 regardless of racial/ethnic group;

5 (3) to develop intervention strategies to decrease hypertension,
6 strokes and other disorders noted above, as well as associated complications,
7 including: educational programs, modification of risk factors by smoking
8 cessation programs, weight loss, promoting healthy lifestyles, and treatment
9 of hypertension with cost-effective, well-tolerated medications, as well as
10 case management for patients in these programs; and

11 (4) to develop and maintain a database that will include:
12 biographical data, screening data, costs, and outcomes.

13 (g) The Arkansas Minority Health Commission will receive quarterly
14 updates on the progress of these programs and make recommendations or changes
15 as necessary.

16 (h) The programs described in this section shall be administered
17 pursuant to a strategic plan encompassing the elements of a mission
18 statement, defined program(s), and program goals with measurable objectives
19 and strategies to be implemented over a specific timeframe. Evaluation of
20 each program shall include performance based measures for accountability
21 which will measure specific health related results.

22 (i) Each of the programs adopted pursuant to this section shall be
23 subject to the monitoring and evaluation procedures described in § 19-90-118.

24
25 19-90-115. Establishment and administration of the Arkansas
26 Biosciences Institute.

27 (a) It is the intent of this chapter to hereby establish the Arkansas
28 Biosciences Institute for the educational and research purposes set forth
29 hereinafter to encourage and foster the conduct of research through the
30 University of Arkansas, Division of Agriculture of the University of
31 Arkansas, the University of Arkansas for Medical Sciences, University of
32 Arkansas at Fayetteville, Arkansas Children's Hospital and Arkansas State
33 University. The Arkansas Biosciences Institute is part of a broad program to
34 address health issues with specific emphasis on smoking and the use of
35 tobacco products. The Arkansas Biosciences Institute is intended to develop
36 more fully the interdisciplinary opportunities for research primarily in the

1 areas set forth hereinafter.

2 (b) Purposes. The Arkansas Biosciences Institute is established for
3 the following purposes:

4 (1) to conduct agricultural research with medical implications;

5 (2) to conduct bioengineering research focused on the expansion
6 of genetic knowledge and new potential applications in the agricultural-
7 medical fields;

8 (3) to conduct tobacco-related research that focuses on the
9 identification and applications of behavioral, diagnostic and therapeutic
10 research addressing the high level of tobacco-related illnesses in the State
11 of Arkansas;

12 (4) to conduct nutritional and other research focusing on
13 prevention or treatment of cancer, congenital or hereditary conditions or
14 other related conditions; and

15 (5) to conduct other research identified by the primary
16 educational and research institutions involved in the Arkansas Biosciences
17 Institute or as otherwise identified by the Arkansas Biosciences Institute
18 Board and which is reasonably related, or complementary to, research
19 identified in subdivisions (b)(1)-(4) of this section.

20 (c)(1) Arkansas Biosciences Institute Board. There is hereby
21 established the Arkansas Biosciences Institute Board which shall consist of
22 the following: the President of the University of Arkansas; the President of
23 Arkansas State University; the Chancellor of the University of Arkansas for
24 Medical Sciences; the Chancellor of the University of Arkansas at
25 Fayetteville; the Vice President for Agriculture of the University of
26 Arkansas; the Director of the Arkansas Economic Development Commission; the
27 Director of the National Center for Toxicological Research; the President of
28 Arkansas Children's Hospital; and two (2) individuals possessing recognized
29 scientific, academic or business qualifications appointed by the Governor.
30 The two (2) members of the Arkansas Biosciences Institute Board who are
31 appointed by the Governor will serve four-year terms and are limited to
32 serving two (2) consecutive four-year terms. The terms shall commence on
33 October 1 of each year. These members appointed by the Governor are not
34 entitled to compensation for their services, but may receive expense
35 reimbursement in accordance with § 25-16-902, to be paid from funds
36 appropriated for this program. The Arkansas Biosciences Institute Board shall

1 establish and appoint the members of an Industry Advisory Committee and a
2 Science Advisory Committee composed of knowledgeable persons in the fields of
3 industry and science. These Committees shall serve as resources for the
4 Arkansas Biosciences Institute Board in their respective areas and will
5 provide an avenue of communication to the Arkansas Biosciences Institute
6 Board on areas of potential research.

7 (2) The Arkansas Biosciences Institute Board shall establish
8 rules for governance for Board affairs and shall:

9 (A) provide overall coordination of the program;

10 (B) develop procedures for recruitment and supervision of
11 member institution research review panels, the membership of which shall vary
12 depending on the subject matter of proposals and review requirements, and
13 may, in order to avoid conflicts of interest and to ensure access to
14 qualified reviews, recommend reviewers not only from Arkansas but also from
15 outside the state;

16 (C) provide for systematic dissemination of research
17 results to the public and the healthcare community, including work to produce
18 public service advertising on screening and research results, and provide for
19 mechanisms to disseminate the most current research findings in the areas of
20 cause and prevention, cure diagnosis and treatment of tobacco related
21 illnesses, in order that these findings may be applied to the planning,
22 implementation and evaluation of any other research programs of this state;

23 (D) develop policies and procedures to facilitate the
24 translation of research results into commercial, alternate technological, and
25 other applications wherever appropriate and consistent with state and federal
26 law; and

27 (E) transmit on or before the end of each calendar year on
28 an annual basis, a report to the General Assembly and the Governor on grants
29 made, grants in progress, program accomplishments, and future program
30 directions. Each report shall include, but not be limited to, all of the
31 following information:

32 (i) the number and dollar amounts of internal and
33 external research grants, including the amount allocated to negotiated
34 indirect costs;

35 (ii) the subject of research grants;

36 (iii) the relationship between federal and state

1 funding for research;

2 (iv) the relationship between each project and the
3 overall strategy of the research program;

4 (v) a summary of research findings, including
5 discussion of promising new areas; and

6 (vi) the corporations, institutions, and campuses
7 receiving grant awards.

8 (d) Director. The Director of the Arkansas Biosciences Institute shall
9 be appointed by the President of the University of Arkansas, in consultation
10 with the President of Arkansas State University, and the President of
11 Arkansas Children's Hospital, and based upon the advice and recommendation of
12 the Arkansas Biosciences Institute Board. The Director shall be an employee
13 of the University of Arkansas and shall serve at the pleasure of the
14 President of the University of Arkansas. The Director shall be responsible
15 for recommending policies and procedures to the Arkansas Biosciences
16 Institute Board for its internal operation and shall establish and ensure
17 methods of communication among the units and divisions of the University of
18 Arkansas, Arkansas Children's Hospital and Arkansas State University and
19 their faculty and employees engaged in research under the auspices of the
20 Arkansas Biosciences Institute. The Director shall undertake such
21 administrative duties as may be necessary to facilitate conduct of research
22 under the auspices of the Arkansas Biosciences Institute. The Director shall
23 perform such other duties as are established by the President of the
24 University of Arkansas in consultation with the President of Arkansas State
25 University, the President of Arkansas Children's Hospital and with the input
26 of the Arkansas Biosciences Institute Board.

27 (e) Conduct of Research. Research performed under the auspices of the
28 Arkansas Biosciences Institute shall be conducted in accordance with the
29 policies of the University of Arkansas, Arkansas Children's Hospital, and
30 Arkansas State University, as applicable. The Arkansas Biosciences Institute
31 Board and the Director shall facilitate the establishment of centers to focus
32 on research in agri-medicine, environmental biotechnology, medical genetics,
33 bio-engineering and industry development. Such centers shall be established
34 in accordance with procedures adopted by the Arkansas Biosciences Institute
35 Board, and shall provide for interdisciplinary collaborative efforts with a
36 specific research and educational objectives.

1 (f) In determining research projects and areas to be supported from
2 such appropriated funds, each of the respective institutions shall assure
3 that adequate opportunities are given to faculty and other researchers to
4 submit proposals for projects to be supported in whole or in part from such
5 funds. At least annually the Arkansas Biosciences Institute Board shall
6 review research being conducted under the auspices of the Arkansas
7 Biosciences Institute and may make recommendations to the President of the
8 University of Arkansas and the President of Arkansas State University and
9 President of Arkansas Children's Hospital of ways in which such research
10 funds may be more efficiently employed or of collaborative efforts which
11 would maximize the utilization of available funds.

12 (g) The programs described in this section shall be administered
13 pursuant to a strategic plan encompassing the elements of a mission
14 statement, defined program(s), and program goals with measurable objectives
15 and strategies to be implemented over a specific timeframe. Evaluation of
16 each program shall include performance based measures for accountability
17 which will measure specific health related results.

18 (h) Each of the programs adopted pursuant to this Section shall be
19 subject to the monitoring and evaluation procedures described in § 19-90-118.

20
21 19-90-116. Establishment and administration of Medicaid Expansion
22 Program.

23 (a) It is the intent of this chapter that the Department of Human
24 Services should establish the Medicaid Expansion Program described in this
25 section, and to administer such program in accordance with law.

26 (b)(1) The Medicaid Expansion Program shall be a separate and distinct
27 component of the Arkansas Medicaid Program currently administered by the
28 Department of Human Services and shall be established as follows:

29 (A) expanding Medicaid coverage and benefits to pregnant
30 women;

31 (B) expanding inpatient and outpatient hospital
32 reimbursements and benefits to adults aged nineteen (19) to sixty-four (64);

33 (C) expanding non-institutional coverage and benefits to
34 adults aged sixty-five (65) and over; and

35 (D) expanding medical assistance, home and community-based
36 services, and employment supports for:

1 (i) Adults with intellectual and developmental
2 disabilities who qualify for services; and

3 (ii) Children with intellectual and developmental
4 disabilities who qualify for services.

5 (2) All such expenditures shall be made in conformity with the
6 Arkansas Medicaid Program as amended and approved by the Centers for Medicare
7 & Medicaid Services.

8 (c) The programs defined in this section shall be administered
9 pursuant to a strategic plan encompassing the elements of a mission
10 statement, defined program(s), and program goals with measurable objectives
11 and strategies to be implemented over a specific timeframe. Evaluation of
12 each program shall include performance-based measures for accountability
13 which will measure specific health related results.

14 (d) Each of the programs adopted pursuant to this section shall be
15 subject to the monitoring and evaluation procedures described in § 19-90-118.

16
17 19-90-117. Establishment of the Arkansas Tobacco Settlement
18 Commission.

19 (a) There is hereby created and recognized the Arkansas Tobacco
20 Settlement Commission, which shall be composed of the following:

21 (1) The Director of the Arkansas Economic Development Commission
22 or his or her designee;

23 (2) The Commissioner of Elementary and Secondary Education or
24 his or her designee;

25 (3) The Commissioner of the Division of Higher Education or his
26 or her designee;

27 (4) The Secretary of the Department of Human Services or his or
28 her designee;

29 (5) The Secretary of the Department of Health or his or her
30 designee;

31 (6) A healthcare professional to be selected by the President
32 Pro Tempore of the Senate;

33 (7) A healthcare professional to be selected by the Speaker of
34 the House of Representatives;

35 (8) A citizen selected by the Governor; and

36 (9) A citizen selected by the Attorney General.

1 (b)(1) The four (4) members of the commission who are not on the
2 commission by virtue of being a director of an agency, will serve four-year
3 terms. The terms shall commence on October 1 of each year. Commission members
4 are limited to serving two (2) consecutive four-year terms.

5 (2) Members of the commission shall not be entitled to
6 compensation for their services, but may receive expense reimbursement in
7 accordance with § 25-16-902, to be paid from funds appropriated for this
8 program.

9 (c) Members appointed to the commission and the organizations they
10 represent shall make full disclosure of the members' participation on the
11 commission when applying for any grant or contract funded by this chapter.

12 (d) All members appointed to the commission shall make full and public
13 disclosure of any past or present association to the tobacco industry.

14 (e) The commission shall, within ninety (90) days of appointment, hold
15 a meeting and elect from its membership a chair for a term set by the
16 commission. The commission is authorized to adopt bylaws.

17 (f) The commission shall meet at least quarterly. However, special
18 meetings of the commission may be called at any time at the pleasure of the
19 chair or pursuant to the bylaws of the commission.

20 (g)(1) The commission is authorized to hire an independent third party
21 with appropriate experience in health, preventive resources, health
22 statistics, and evaluation expertise to perform monitoring and evaluation of
23 program expenditures made from the program accounts pursuant to this chapter.

24 (2)(A) Such monitoring and evaluation shall be performed in
25 accordance with § 19-90-118, and the third party retained to perform such
26 services shall prepare a biennial report to be delivered to the General
27 Assembly and the Secretary of the Department of Health by each August 1
28 preceding a general session of the General Assembly.

29 (B) The report shall be accompanied by a recommendation
30 from the commission as to the continued funding for each program.

31 (3) The commission shall file a quarterly progress report with
32 the House Committee on Public Health, Welfare, and Labor and the Senate
33 Committee on Public Health, Welfare, and Labor.

34 (h) The costs and expenses of the monitoring and evaluation program,
35 as administered by the Department of Health, as well as the salaries, costs,
36 and expenses of staff shall be paid from the Arkansas Tobacco Settlement

1 Commission Fund established pursuant to § 19-90-108.

2 (i) If the deposits into the Arkansas Tobacco Settlement Commission
3 Fund exceed the amount necessary to pay the costs and expenses described in
4 subsection (h) of this section, then the commission is authorized to make
5 grants as follows:

6 (1) Those organizations eligible to receive grants are nonprofit
7 and community-based;

8 (2) Grant criteria shall be established based upon the following
9 principles:

10 (A) All funds should be used to improve and optimize the
11 health of Arkansans;

12 (B) Funds should be spent on long-term projects that
13 improve the health of Arkansans;

14 (C) Future tobacco-related illness and healthcare costs in
15 Arkansas should be minimized through this opportunity; and

16 (D) Funds should be invested in solutions that work
17 effectively and efficiently in Arkansas; and

18 (3) Grant awards shall be restricted in amounts up to fifty-
19 thousand dollars (\$50,000) per year for each eligible organization.

20

21 19-90-118. Monitoring and evaluation of programs.

22 (a) The Arkansas Tobacco Settlement Commission is directed to conduct
23 monitoring and evaluation of the programs established in §§ 19-90-113 – 19-
24 90-116 to ensure optimal impact on improving the health of Arkansans and
25 fiscal stewardship of the Tobacco Settlement. The commission shall develop
26 performance indicators to monitor programmatic functions that are state-
27 specific and situation-specific and to support performance-based assessment
28 for governmental accountability. The performance indicators shall reflect
29 short-term and long-term goals and objectives of each program, be measurable,
30 and provide guidance for internal programmatic improvement and legislative
31 funding decisions. The commission is expected to modify these performance
32 indicators as goals and objectives are met and new inputs to programmatic
33 outcomes are identified.

34 (b) All programs funded by the tobacco settlement and established in
35 §§ 19-90-113 – 19-90-116 shall be monitored and evaluated to justify
36 continued support based upon the state's performance-based budgeting

1 initiative. These programs shall be administered pursuant to a strategic plan
2 encompassing the elements of a mission statement, defined programs, program
3 goals with measurable objectives and strategies to be implemented over a
4 specific timeframe. Evaluation of each program shall include performance-
5 based measures for accountability that will measure specific health-related
6 results. All expenditures that are payable from the Tobacco Settlement
7 Program Fund and from each of the program accounts, therein, shall be subject
8 to the same fiscal control, accounting, budgetary, and purchasing laws as are
9 expenditures and obligations payable from State Treasury funds, except as
10 specified otherwise in this chapter. The Chief Fiscal Officer of the State
11 may require additional controls, procedures, and reporting requirements that
12 he or she determines are necessary in order to carry out the intent of this
13 chapter.

14 (c) The commission is directed to establish program goals in
15 accordance with the following initiation, short-term and long-term
16 performance indicators for each program to be funded by the tobacco
17 settlement, which performance indicators shall be subject to modification by
18 the commission based on specific situations and subsequent developments.
19 Progress with respect to these performance indicators shall be reported to
20 the Governor and the General Assembly for future appropriation decisions:

21 (1) Tobacco prevention and cessation: The goal is to reduce the
22 initiation of tobacco use and the resulting negative health and economic
23 impact. The following are anticipated objectives in reaching this overall
24 goal:

25 (A) Initiation: The Department of Health is to start the
26 program within six (6) months of available appropriation and funding;

27 (B) Short-term: Communities shall establish local tobacco
28 prevention initiatives;

29 (C) Long-term: Surveys demonstrate a reduction in numbers
30 of Arkansans who smoke and/or use tobacco.

31 (2) Medicaid Expansion: The goal is to expand access to
32 healthcare through targeted Medicaid expansions, thereby improving the health
33 of eligible Arkansans:

34 (A) Initiation: The Department of Human Services is to
35 start the program initiatives within six (6) months of available
36 appropriation and funding;

1 (B) Short-term: The Department of Human Services
2 demonstrates an increase in the number of new Medicaid eligible persons
3 participating in the expanded programs.

4 (C) Long-term: Demonstrate improved health and reduced
5 long-term health costs of Medicaid eligible persons participating in the
6 expanded programs;

7 (3) Research and health education: The goal is to develop new
8 tobacco-related medical and agricultural research initiatives to improve the
9 access to new technologies, improve the health of Arkansans, and stabilize
10 the economic security of Arkansas:

11 (A) Initiation: The Arkansas Biosciences Institute Board
12 shall begin operation of the Arkansas Biosciences Institute within twelve
13 (12) months of available appropriation and funding;

14 (B) Short-term: The Arkansas Biosciences Institute shall
15 initiate new research programs for the purpose of conducting, as specified in
16 § 19-90-115, agricultural research with medical implications, bioengineering
17 research, tobacco-related research, nutritional research focusing on cancer
18 prevention or treatment, and other research approved by the Arkansas
19 Biosciences Institute Board;

20 (C) Long-term: The institute's research results should
21 translate into commercial, alternate technological, and other applications
22 wherever appropriate in order that the research results may be applied to the
23 planning, implementation and evaluation of any health related programs in the
24 state. The Arkansas Biosciences Institute is also to obtain federal and
25 philanthropic grant funding;

26 (4) Targeted state needs programs: The goal is to improve the
27 healthcare systems in Arkansas and the access to healthcare delivery systems,
28 thereby resolving critical deficiencies that negatively impact the health of
29 the citizens of the state:

30 (A) College of Public Health of the University of Arkansas
31 for Medical Sciences:

32 (i) Initiation: Increase the number of communities
33 in which participants receive public health training;

34 (ii) Short-Term: Obtain federal and philanthropic
35 grant funding;

36 (iii) Long-term: Elevate the overall ranking of the

1 health status of Arkansas;

2 (B) Minority Health Initiative:

3 (i) Initiation: Start the program within twelve (12)
4 months of available appropriation and funding;

5 (ii) Short-term: Prioritize the list of health
6 problems and planned intervention for minority population and increase the
7 number of Arkansans screened and treated for tobacco-related illnesses;

8 (iii) Long-term: Reduce death/disability due to
9 tobacco-related illnesses of Arkansans;

10 (C) Donald W. Reynolds Center on Aging of the University
11 of Arkansas for Medical Sciences:

12 (i) Initiation: Start the program within twelve (12)
13 months of available appropriation and funding;

14 (ii) Short-term: Prioritize the list of health
15 problems and planned intervention for elderly Arkansans and increase the
16 number of Arkansans participating in health improvement programs;

17 (iii) Long-term: Improve health status and decrease
18 death rates of elderly Arkansans, as well as obtaining federal and
19 philanthropic grant funding; and

20 (D) Area Health Education Center:

21 (i) Initiation: Start the new area health education
22 center in Helena with DHEC offices in West Memphis and Lake Village within
23 twelve (12) months of available appropriation and funding;

24 (ii) Short-term: Increase the number of communities
25 and clients served through the expanded AHEC/DHEC offices;

26 (iii) Long-term: Increase the access to a primary
27 care provider in underserved communities.

28

29 SECTION 5. Arkansas Code Title 19 is reenacted and recodified to read
30 as follows:

31

TITLE 19

32

PUBLIC FINANCE

33

34 SUBTITLE 1. GENERAL PROVISIONS

35 SUBTITLE 2. REVENUE STABILIZATION LAW

36 SUBTITLE 3. REVENUE CLASSIFICATION LAW

1 SUBTITLE 4. PURCHASING AND CONTRACTS

2 SUBTITLE 5. MISCELLANEOUS PROVISIONS

3

4 SUBTITLE 1. GENERAL PROVISIONS

5

6 CHAPTER 1. GENERAL PROVISIONS

7 CHAPTER 2. STATE REVENUES – RECEIPTS AND EXPENDITURES GENERALLY

8 CHAPTER 3. STATE TREASURY MANAGEMENT

9 CHAPTER 4. STATE ACCOUNTING AND BUDGETARY PROCEDURES

10 CHAPTER 5. DEPOSITORY FOR PUBLIC FUNDS

11 CHAPTER 6. PUBLIC OBLIGATIONS

12 CHAPTER 7. FEDERAL FUNDS

13 CHAPTERS 8–19. RESERVED

14

15 CHAPTER 1

16 GENERAL PROVISIONS

17

18 Subchapter 1. General Provisions [Reserved.]

19 Subchapter 2. Fiscal Duties of Department of Finance and Administration

20 Subchapter 3. Officers' Surety Bonds

21 Subchapter 4. Investment of Public Funds

22 Subchapter 5. State Fiscal Management Responsibility Act

23

24 Subchapter 1 – General Provisions [Reserved.]

25

26 Subchapter 2 – Fiscal Duties of Department of Finance and Administration

27

28 19-1-201. Chief Fiscal Officer of the State.

29 The Secretary of the Department of Finance and Administration is the

30 Chief Fiscal Officer of the State.

31

32 19-1-202. Secretary.

33 (a) The Secretary of the Department of Finance and Administration
34 shall be at least thirty (30) years of age, of good moral character, and of
35 demonstrated ability in the field of his or her employment.

36 (b) Before entering upon his or her duties of employment, the

1 Secretary of the Department of Finance and Administration shall take,
2 subscribe, and file in the office of the Secretary of State an oath or
3 affirmation to support the United States Constitution and the Arkansas
4 Constitution and to faithfully discharge the duties of the employment upon
5 which he or she is about to enter.

6 (c)(1) The Secretary of the Department of Finance and Administration
7 shall furnish bond to the state, with a corporate surety thereon, in the
8 penal sum of ten thousand dollars (\$10,000), conditioned upon the faithful
9 performance of his or her duties and for the proper accounting for all funds
10 received and disbursed by him or her.

11 (2) The Secretary of the Department of Finance and
12 Administration is the disbursing agent for the Department of Finance and
13 Administration but is not required to furnish additional bond as that
14 disbursing agent, nor shall he or she be required to furnish additional bond
15 as disbursing agent of other appropriations for which he or she may be
16 designated disbursing agent under or pursuant to any law of this state unless
17 so directed by the General Assembly.

18 (3) If the Secretary of the Department of Finance and
19 Administration deems it advisable, he or she may require other employees of
20 his or her office to furnish bond, in the penal sums that he or she requires.

21 (4)(A) The original of the bond of the Secretary of the
22 Department of Finance and Administration shall be filed in the office of the
23 Secretary of State, and an executed counterpart thereof shall be filed in the
24 office of the Auditor of State.

25 (B) Any bonds that may be required of employees shall be
26 filed with the Secretary of the Department of Finance and Administration.

27

28 19-1-203. Deputy director.

29 The Deputy Director of the Department of Finance and Administration,
30 acting under the authority granted to him or her by the Secretary of the
31 Department of Finance and Administration, and under the laws relating to
32 budget and accounting procedure, shall:

33 (1)(A) Prepare and publish all necessary rules for carrying out
34 the budget and accounting laws of the state.

35 (B) The deputy director may require of any state agency
36 the necessary fiscal information for carrying out such laws;

1 (2) Acting in behalf of the Governor and the secretary, prepare
2 the preliminary budget information biennially to be submitted to the
3 Legislative Council and to the members of the General Assembly for
4 consideration of the budget requirements of all state agencies; and

5 (3) Be prepared, when called upon to do so, to appear before the
6 Legislative Council and committees of the General Assembly for the purpose of
7 supplying information and reporting upon the financial condition of the state
8 or any of its agencies.

9
10 19-1-204. Personnel.

11 (a) Except as otherwise provided by this subchapter, all of the
12 personnel of the Department of Finance and Administration shall be employed
13 by and serve at the pleasure of the Secretary of the Department of Finance
14 and Administration.

15 (b) Nothing contained in this subchapter inhibits the rights of any
16 employees of the department who have gained civil service or merit system
17 status under any law of this state.

18
19 19-1-205. Office.

20 The Building Authority Division shall assign to the Department of
21 Finance and Administration and divisions of the department suitable office
22 space with the necessary conveniences for the transaction of the department's
23 business and the safekeeping of the department's records.

24
25 19-1-206. Seal.

26 The Governor shall procure an official seal for the Department of
27 Finance and Administration. Every paper executed by the Secretary of the
28 Department of Finance and Administration or by any other employee of the
29 department and sealed with its official seal shall be received in evidence in
30 any court or other tribunal and may be recorded in the same manner and with
31 like effect as deeds regularly acknowledged.

32
33 19-1-207. General accounting system.

34 The Secretary of the Department of Finance and Administration shall:

35 (1) Enforce the general accounting and fiscal procedures of the
36 State of Arkansas that have been placed upon him or her by law;

1 (2) Exercise supervision over the general accounting system of
2 the state and of state agencies; and

3 (3) Maintain in his or her office a system of accounts and
4 control that will at all times reflect:

5 (A) The unencumbered balance of all funds and accounts
6 carried on the books of the Auditor of State and the Treasurer of State;

7 (B) The distribution and allotment of state revenues; and

8 (C) A detailed record of the receipts and expenditures of
9 all State Treasury funds.

10
11 19-1-208. Rules.

12 The Secretary of the Department of Finance and Administration may make
13 reasonable rules not inconsistent with the law that are necessary or
14 desirable for the orderly discharge of the duties vested in the Department of
15 Finance and Administration.

16
17 19-1-209. Publications required.

18 (a) The Secretary of the Department of Finance and Administration
19 shall publish and furnish copies to all state agencies of rules that are
20 issued by him or her, pursuant to law, providing for a general accounting
21 procedure.

22 (b) The secretary shall also publish not less often than biennially a
23 financial report covering the fiscal affairs of the state and state agencies
24 and shall make the report available to:

25 (1) Members of the General Assembly;

26 (2) State agencies; and

27 (3) Others having an interest in the report.

28
29 19-1-210. Recordkeeping.

30 (a) For the purpose of effectively carrying out the fiscal procedures
31 provided by law, the Secretary of the Department of Finance and
32 Administration may install the recordkeeping and other procedures in his or
33 her own office and in other state offices and departments that the secretary
34 deems necessary or advisable.

35 (b) The secretary may require from any state agency any fiscal
36 information that will be necessary for providing adequate records in the

1 secretary's office and shall prescribe uniform records and forms for all
2 vouchers and other documents that are to be transmitted to the Department of
3 Finance and Administration.

4
5 19-1-211. Investigations.

6 (a)(1) In any matter within the jurisdiction of the Department of
7 Finance and Administration, the Secretary of the Department of Finance and
8 Administration may make investigations and may delegate that power to any
9 division or section head of the department.

10 (2) For this purpose, the secretary may subpoena witnesses and
11 require the production of any books, records, papers, or documents that may
12 be material or relevant as evidence and to administer oaths to and take the
13 testimony of witnesses.

14 (b)(1) In case of disobedience to any subpoena or other process, the
15 secretary may invoke the aid, with the written approval of the Governor, of
16 the Pulaski County Circuit Court in requiring the testimony of witnesses and
17 the production of evidence, books, records, papers, or documents.

18 (2)(A) In case of refusal to obey the subpoena issued to any
19 person, firm, or corporation, the circuit court shall issue an order calling
20 the person, firm, or corporation to appear before the secretary or other
21 employee designated by the secretary and to produce all books and papers so
22 ordered and give evidence touching the matter in question.

23 (B) Any failure to obey the order of the circuit court may
24 be punished by the circuit court as contempt of the circuit court.

25 (c) A subpoena for a witness may be issued by the secretary or by any
26 division or section head of the department in whom any such authority may
27 have been vested by the secretary and shall be served as provided by law for
28 the service of other subpoenas.

29 (d)(1)(A) The failure or refusal of any witness to appear or to
30 produce any books, papers, or documents required by the secretary and to
31 submit them for inspection or the refusal to answer any relevant question
32 propounded by the secretary is a violation punishable by a fine of not less
33 than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

34 (B) Each failure or refusal by any witness to appear or
35 produce any such books, papers, or documents is a separate offense.

36 (2) False testimony given in any such inquiry is perjury

1 punishable as provided by law.

2

3 19-1-212. Duty to avoid deficit.

4 The Secretary of the Department of Finance and Administration shall:

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

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

12 (3) See that no obligation is incurred that is not payable when
13 the obligation becomes due; and

14 (4) Exercise his or her powers to see that the funds on hand and
15 estimated to become available to each state agency are sufficient to maintain
16 the state and all of its agencies on a sound financial basis without
17 incurring a deficit.

18

19 19-1-213. Leasing of state property.

20 (a) With approval of the Governor, the Secretary of the Department of
21 Finance and Administration may lease any state property, real or personal,
22 that is not needed for public use, if:

23 (1) The leasing of the property is not prohibited by law; and

24 (2) The authority to lease the property is not vested in any
25 other state agency.

26 (b) The secretary shall not lease any property under this section for
27 a term exceeding two (2) years.

28

29 19-1-214. Federal gifts and surplusage.

30 Notwithstanding the provisions of this subchapter or any other law that
31 requires advertisement for bids or the soliciting or receiving of competitive
32 bids, the Secretary of the Department of Finance and Administration may enter
33 into a contract with the United States Government or with an agency of the
34 United States Government for the purpose of accepting gifts and for the
35 acquisition of surplus materials or property upon such terms and conditions
36 as may be agreed upon.

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Subchapter 3 – Officers’ Surety Bonds

19-1-301. Exceptions.

All constitutional officers other than the Treasurer of State are exempt from this subchapter.

19-1-302. Treasurer of State.

(a) The bond for the Treasurer of State is one million dollars (\$1,000,000).

(b) The original of the bond required by this section to be filed by the Treasurer of State shall be filed in the office of the Secretary of State, and a copy shall be filed with the Auditor of State.

19-1-303. County and municipal officials and employees.

(a)(1) County officials and employees, municipal officials and employees, and all other officers and employees of a political subdivision of this state who are required by law to furnish bond and who receive and disburse cash funds from bank accounts shall obtain a surety bond from a corporate surety authorized to do business in this state in the minimum amounts to be computed as follows:

(A) On the first one hundred thousand dollars (\$100,000), or any part thereof, of receipts of the office, ten percent (10%) of the amount;

(B) On the next two hundred thousand dollars (\$200,000), or any part thereof, of receipts of the office, seven and five-tenths percent (7.5%) of the amount;

(C) On the next two hundred thousand dollars (\$200,000), or any part thereof, of receipts of the office, five percent (5%) of the amount;

(D) On the next five hundred thousand dollars (\$500,000), or any part thereof, of receipts of the office, two and five-tenths percent (2.5%) of the amount; and

(E) On all amounts in excess of one million dollars (\$1,000,000), one percent (1%).

(2) These amounts shall be based on the total cash receipts of

1 the office for the preceding calendar or fiscal year. However, the penal
2 amount of any bond shall not be less than the amount as computed in this
3 subsection.

4 (3) The bonds shall be conditioned that the officer or employee
5 shall faithfully perform the duties of his or her office or employment and
6 properly account for all cash funds received and disbursed by him or her as
7 an officer or employee.

8 (b)(1) County officials and employees, municipal officials and
9 employees, and all other officers and employees of a political subdivision of
10 this state who are required by law to furnish bond and who receive or approve
11 the disbursement of any funds appropriated and disbursed through the State
12 Treasury shall obtain a bond in the following minimum amounts based on the
13 disbursements of the agency during the preceding calendar or fiscal year:

14 (A) On the first one hundred thousand dollars (\$100,000),
15 or any part thereof, of disbursements, five percent (5%) of the amount;

16 (B) On the next four hundred thousand dollars (\$400,000),
17 or any part thereof, of disbursements, two and five-tenths percent (2.5%) of
18 the amount; and

19 (C) On all disbursements in excess of five hundred
20 thousand dollars (\$500,000), five-tenths percent (0.5%) of the amount.

21 (2) Subsection (a) of this section applies in determining the
22 bond requirements of all officers and employees handling both cash funds and
23 moneys appropriated and disbursed from the State Treasury.

24 (3) The bond shall be conditioned that the officer or employee
25 faithfully performs the duties of his or her office or employment and
26 properly accounts for the disbursement of funds.

27 (c) The maximum amount of any bond required under subsections (a) and
28 (b) of this section shall not exceed five hundred thousand dollars
29 (\$500,000).

30 (d)(1) The Legislative Auditor shall inform municipal and county
31 officials of the requirements set forth in this subchapter regarding the
32 determination of the amount of bond for the officials.

33 (2) However, the Legislative Auditor shall not set the bond of
34 municipal and county officials.

35 (e)(1) The original of each bond required by this section to be filed
36 by a county officer or employee shall be filed in the office of the circuit

1 clerk in the county involved.

2 (2) The original of each bond required by this section to be
3 filed by municipal officials and employees shall be filed in the office of
4 the municipal clerk of the municipality involved.

5
6 19-1-304. County judges.

7 (a)(1) The county judge in each county shall furnish bond in an amount
8 computed in accordance with § 19-1-303(b).

9 (2) The bond shall be conditioned that the officer faithfully
10 performs the duties of the office and properly accounts for all funds
11 disbursed by him or her as county judge.

12 (b) The original bond shall be filed with the circuit clerk of the
13 respective county.

14

15 19-1-305. State agency employees as disbursing agents.

16 (a)(1) If the executive head of a state agency designates a full-time
17 employee to act as his or her agent in the disbursement of funds under his or
18 her control, the agent shall furnish additional bond to be fixed by the
19 Secretary of the Department of Finance and Administration.

20 (2) The executive head of the state agency shall notify the
21 secretary and the Auditor of State in writing of the designation and shall
22 furnish to the secretary and the Auditor of State a sample of the signature
23 of the agent.

24 (b) If appropriations are made available to a state agency or to a
25 nongovernment agency or activity and no disbursing agent is provided for by
26 law, then the secretary and the Auditor of State shall designate a person to
27 act as disbursing agent and fix the amount of bond for such purposes.

28

29 Subchapter 4 – Investment of Public Funds

30

31 19-1-401. “Eligible investment securities” defined.

32 As used in this subchapter, “eligible investment securities” means:

33 (1) A direct or guaranteed obligation of the United States that
34 is backed by the full faith and credit of the United States Government;

35 (2) A direct obligation of an agency, instrumentality, or
36 government-sponsored enterprise created by act of the United States Congress

1 and authorized to issue securities or evidences of indebtedness, regardless
2 of whether the securities or evidences of indebtedness are guaranteed for
3 repayment by the United States Government;

4 (3) A bond or other debt of the state, a school district, a
5 county government, a municipal government, or an authority of a governmental
6 entity that:

7 (A) Is issued for an essential governmental purpose or is
8 guaranteed by a state agency; and

9 (B) Has a debt rating from a nationally recognized credit
10 rating agency of "A" or better at the time of purchase; and

11 (4) A bond from the State of Israel that is guaranteed and
12 backed by the full faith and credit of the government of Israel as the
13 sovereign debt of the State of Israel.

14
15 19-1-402. Provisions supplemental.

16 This subchapter does not repeal any prior legislation or affect any
17 statute pertaining to the conversion of funds of public officials and
18 agencies into investments authorized under this subchapter but is
19 supplemental to present law and confers additional powers.

20
21 19-1-403. Construction.

22 (a) This subchapter does not affect the power of counties,
23 municipalities, improvement districts, and other public bodies to make a
24 deposit of funds in the form of a demand deposit, a savings deposit, or a
25 time deposit as authorized by law.

26 (b) The adoption of this subchapter does not affect or impair the
27 power of counties, municipalities, improvement districts, and other public
28 bodies to make investments of funds in their possession or under their
29 control as authorized by other laws.

30
31 19-1-404. Investments permitted.

32 (a)(1) With the approval of the county or municipal depository board,
33 a treasurer may convert any funds in the treasurer's possession or under the
34 treasurer's control and not presently needed for other purposes into one (1)
35 or more of the following investments:

36 (A) Eligible investment securities having a maturity of

1 not longer than five (5) years from the date of acquisition unless, as
2 documented at the time of acquisition, the investment is to fund or support a
3 specific purpose and there are no expectations that the investment will be
4 sold before maturity;

5 (B) An Arkansas bank certificate of deposit or a
6 certificate of deposit authorized under § 19-5-111;

7 (C) An account established by a local government joint
8 investment trust authorized under the Local Government Joint Investment Trust
9 Act, § 14-79-101 et seq.; or

10 (D) An Arkansas financial institution repurchase agreement
11 for eligible investment securities in which the seller agrees to repurchase
12 the investment at a price including interest earned during the holding period
13 as determined by the repurchase agreement.

14 (2) The following entities may convert funds that are in the
15 possession of the entity or under the control of the entity and that are not
16 presently needed for other purposes into an investment listed in subdivision
17 (a)(1) of this section:

18 (A) A county board or commission;

19 (B) A municipal board or commission, including without
20 limitation a board of trustees of a policemen's pension and relief fund, a
21 board of trustees of a firemen's relief and pension fund, a waterworks
22 commission, and a sewer committee; and

23 (C) A drainage district, levee district, and improvement
24 district, including without limitation a waterworks district, electric light
25 district, municipal improvement district, and suburban improvement district.

26 (3) This subsection does not apply to funds of a school
27 district.

28 (b)(1) Unless otherwise provided by a signed written agreement between
29 the school district or districts and the county treasurer, funds of a school
30 district shall be invested by the:

31 (A) School district treasurer when the school district has
32 a treasurer; or

33 (B) County treasurer when the school district does not
34 have a treasurer.

35 (2) To the extent directed by the board of directors of the
36 school district, investments shall be in:

- 1 (A) General obligation bonds of the United States;
2 (B) Bonds, notes, debentures, or other obligations issued
3 by an agency of the United States Government;
4 (C) General obligation bonds of the state; or
5 (D) Bank certificates of deposit.

6 (c) A school district may invest moneys held for the repayment of a
7 federally recognized qualified zone academy bond under 26 U.S.C. § 1397E, as
8 it existed on January 1, 2005, in a guaranteed investment contract or forward
9 delivery agreement in which the school district is guaranteed a certain rate
10 of interest on its investment if the guaranteed investment contract or the
11 forward delivery agreement is entered into between the school district and
12 the purchaser of the qualified zone academy bond.

13 (d) A treasurer or other custodian of public funds who is authorized
14 to purchase and hold eligible investment securities may use a brokerage
15 account to acquire, sell, and hold the investment if the investment is
16 established with a broker-dealer that:

- 17 (1) Has offices in the state;
18 (2) Is registered with the State Securities Department;
19 (3) Is a member of the Financial Industry Regulatory Authority,
20 Inc.; and
21 (4) Is a member of the Securities Investor Protection
22 Corporation.

23 (e) Unless restrictions are established by the donor, a private
24 donation to a city of the first class, a city of the second class, or an
25 incorporated town may be invested in accordance with the prudent investor
26 rule established under § 28-71-105.

27
28 19-1-405. Additional authority of certain cities.

29 (a)(1) A city that has real property assessed valuation in excess of
30 three hundred million dollars (\$300,000,000) may invest the city's funds in
31 securities under § 23-47-401 and according to the investment policy adopted
32 by the governing body of the city.

33 (2) The investment policy adopted by the city's governing body
34 may authorize a maturity term exceeding the term stated in § 19-1-
35 404(a)(1)(A).

36 (b)(1) Each investment shall be made with the judgment and care under

1 prevailing circumstances that a person of prudence, discretion, and
2 intelligence would exercise in the management of the person's own affairs,
3 not for speculation but for investment, considering the probable safety of
4 the capital and the probable income to be derived.

5 (2) Investment of funds shall be governed by the following
6 investment objectives in order of priority:

7 (A) Preservation and safety of the principal;

8 (B) Liquidity; and

9 (C) Yield.

10 (c) In determining whether an investment officer has exercised
11 prudence with respect to an investment decision, the determination shall be
12 made taking into consideration:

13 (1) The investment of city funds and funds under the officer's
14 control and over which the officer had responsibility, rather than a
15 consideration as to the prudence of a single investment; and

16 (2) Whether the investment decision is consistent with the
17 written investment policy of the city.

18
19 Subchapter 5 – State Fiscal Management Responsibility Act

20
21 19-1-501. Title.

22 This subchapter shall be known and may be cited as the "State Fiscal
23 Management Responsibility Act".

24
25 19-1-502. Intent and purpose.

26 (a) The General Assembly has enacted various laws relating to the
27 receipting, disbursing, depositing, and accounting for public funds, as well
28 as laws relating to establishing salaries, and the purchasing of commodities
29 by various state agencies. In addition, the Department of Finance and
30 Administration or other appropriate agency has issued rules pertaining to the
31 administration of these various laws.

32 (b) It is the intent of the General Assembly that all state officers
33 and employees comply with these laws and rules. Presently, most of these laws
34 and rules do not provide penalty provisions for violations of the laws and
35 rules.

36 (c) It is the purpose of this subchapter to provide procedures and

1 civil penalties regarding violations of the fiscal responsibility and
2 management laws of the state.

3
4 19-1-503. Definitions.

5 As used in this subchapter:

6 (1) "Agency" means a state agency, bureau, board, commission,
7 council, department, institution, or office of the State of Arkansas;

8 (2) "Executive agencies" means all agencies other than
9 constitutional, judicial, and legislative officers, agencies, and
10 departments;

11 (3) "Fiscal responsibility and management laws" means the
12 following laws and rules applicable to those laws:

13 (A) General Accounting and Budgetary Procedures Law, § 19-
14 4-101 et seq.;

15 (B) State procurement laws, Arkansas Code Title 19,
16 Subtitle 4;

17 (C) Attendance and leave laws, § 21-4-101 et seq.;

18 (D) Regular Salary Procedures and Restrictions Act, §§ 19-
19 4-1601 and 21-5-101;

20 (E) Uniform Classification and Compensation Act, § 21-5-
21 201 et seq.;

22 (F) Higher Education Expenditure Restriction Act, § 6-63-
23 301 et seq.;

24 (G) Accounts and Notes Receivable Abatement Act for the
25 State of Arkansas, § 19-2-301 et seq.;

26 (H) Revenue Stabilization Law, § 19-20-101 et seq.;

27 (I) Revenue Classification Law, § 19-40-101 et seq.;

28 (J) Depositories for public funds, § 19-5-101 et seq.;

29 (K) Public works, § 22-9-101 et seq.; and

30 (L) State Fiscal Management Responsibility Act, § 19-1-501
31 et seq.;

32 (4) "Knowingly" means that a person is aware or should have been
33 aware that his or her conduct will violate the fiscal responsibility and
34 management laws; and

35 (5) "Public officer or employee" means an officer or employee of
36 the State of Arkansas.

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19-1-504. Existing remedies not impaired.

This subchapter does not limit or diminish any civil rights or administrative procedures available to any public officer or employee.

19-1-505. Civil procedures apply.

All actions and procedures under this subchapter are civil in nature and are governed by the appropriate rules and laws regarding civil actions and remedies.

19-1-506. Investigation of violations.

(a) Upon discovery or notification of an alleged violation of the fiscal responsibility and management laws, each agency shall investigate the allegation and take appropriate administrative action.

(b) The director of each agency or, in the case of a constitutional office, the constitutional officer, is responsible for complying with this subchapter.

19-1-507. Documentation and notification of violation – Remedial action.

(a) After completing the investigation, if the agency determines that there has been a violation of the fiscal responsibility and management laws, the facts and circumstances relating to a violation and any corrective or remedial action taken shall be documented and placed in the personnel files of the public officer or employee involved in the violation.

(b)(1) The agency shall notify the public officer or employee of its findings and any corrective or remedial action to be taken.

(2) Notification shall be made in a manner ensuring actual notice to the public officer or employee.

(3) The public officer or employee shall be notified that the failure to make corrective or remedial action within thirty (30) days after the date of notification creates the rebuttable presumption that the violation was committed knowingly.

(c)(1) The public officer or employee violating a fiscal responsibility and management law shall be given not more than thirty (30) days after notification to effect corrective or remedial action recommended

1 by the agency.

2 (2) Failure to make corrective or remedial action within thirty
3 (30) days after notification creates the rebuttable presumption that the
4 violation was committed knowingly.

5

6 19-1-508. Notification of Department of Finance and Administration –
7 Review.

8 (a) Within thirty (30) days after the expiration of the time period
9 for the public officer or employee to effect corrective or remedial action,
10 the agency shall transfer to the Secretary of the Department of Finance and
11 Administration a document containing a summary of the violation and any
12 corrective remedial action taken.

13 (b)(1) The secretary shall review the summaries of violations
14 received. The secretary may:

15 (A) Accept the summary and approve the corrective or
16 remedial action by the agency;

17 (B) Request additional information regarding the violation
18 and corrective or remedial action by the agency; or

19 (C) Impose additional corrective or remedial action upon
20 public officers and employees of executive agencies as provided in § 19-1-
21 509.

22 (2) Quarterly, the secretary shall submit a summary of all
23 violations of the fiscal responsibility and management laws, including any
24 corrective or remedial action by the agency or the secretary, to the Governor
25 and members of the General Assembly.

26

27 19-1-509. Executive agencies.

28 (a)(1) Before the Secretary of the Department of Finance and
29 Administration may impose additional corrective or remedial action regarding
30 public officers or employees of executive agencies, the secretary shall
31 conduct an investigation regarding any violation.

32 (2) The public officer or employee shall be notified and given
33 the opportunity for a hearing conducted by the secretary regarding any
34 violation.

35 (b) The secretary may impose any one (1) or more of the following as
36 additional corrective or remedial action:

- 1 (1) Oral or written warnings or reprimands;
- 2 (2) Suspension with or without pay for specified periods of
- 3 time; or
- 4 (3) Termination of employment.

5
6 19-1-510. Investigation and suit by Attorney General.

7 (a) The Secretary of the Department of Finance and Administration, the
8 Legislative Joint Auditing Committee, or the Legislative Council may request
9 the office of the Attorney General to review information concerning a
10 violation of the fiscal responsibility and management laws to determine
11 whether legal action is appropriate.

12 (b)(1) The Attorney General may file a civil suit in the circuit court
13 against the public officer or employee violating the fiscal responsibility
14 and management laws.

15 (2) Venue shall be:

16 (A) In the county where the violation occurred; or

17 (B) If the violation occurred outside the borders of the
18 state, in Pulaski County.

19
20 19-1-511. Civil penalty.

21 If the public officer or employee is found by the circuit court to have
22 knowingly violated the fiscal responsibility and management laws, the circuit
23 court shall impose a civil penalty upon the public officer or employee of not
24 less than one hundred dollars (\$100), nor more than one thousand dollars
25 (\$1,000) for each violation, and may subject the public officer or employee
26 to the payment of damages resulting as a direct consequence of any violation.

27
28 19-1-512. Recovery of costs.

29 (a) If the public officer or employee is found by the circuit court to
30 have knowingly violated the fiscal responsibility and management laws, the
31 Attorney General may recover costs and attorney's fees associated with the
32 civil suit from the public officer or employee.

33 (b) Costs or fees recovered by the Attorney General under this section
34 shall be deposited into the State Treasury.

35
36

CHAPTER 2

1 STATE REVENUES – RECEIPTS AND EXPENDITURES GENERALLY

2

3 Subchapter 1. General Provisions

4 Subchapter 2. Receipts Generally

5 Subchapter 3. Accounts and Notes Receivable Abatement Act for the State of
6 Arkansas

7 Subchapter 4. Expenditures Generally

8 Subchapter 5. Canceled Checks

9

10 Subchapter 1 – General Provisions

11

12 19-2-101. Receipts for all funds coming into State Treasury.

13 (a) The Secretary of State, the Insurance Commissioner, the
14 Commissioner of State Lands, the Attorney General, the Bank Commissioner, and
15 the Auditor of State shall issue their receipts respectively for all moneys
16 coming into the State Treasury through their departments, respectively, on
17 account of:

18 (1) Fees of every kind and character;

19 (2) Sale of books, charters, and articles of incorporation;

20 (3) Commissions of notaries public, justices of the peace, and
21 county, city, and town officers, in addition to nomination fees, etc.;

22 (4) Insurance taxes and fees;

23 (5) Jitney and chauffeur licenses;

24 (6) Affidavits of loss, license tags, deeds, patents, field
25 notes, maps, and charts;

26 (7) Franchise taxes, back taxes, and sand and gravel taxes;

27 (8) All matters pertaining to the duties of the Attorney General
28 when money belonging to the state is to be collected;

29 (9) Bank examination fees; and

30 (10) All fees coming through the Bank Commissioner's office.

31 (b)(1) Each of the departments is authorized to accept personal checks
32 when tendered in payment of any of the items mentioned in subsection (a) of
33 this section and issue their receipts, respectively, for them.

34 (2)(A) The checks shall be endorsed by the heads of the
35 respective departments to the Treasurer of State and paid into the State
36 Treasury daily, if anything has been collected, with an itemized statement of

1 all items for which payment was made.

2 (B) An officer endorsing the checks is not personally
3 liable by reason of the officer's endorsement if the checks are rejected by
4 the drawee.

5

6 19-2-102. Duplicate receipts given by Treasurer of State.

7 (a) The Treasurer of State shall grant duplicate receipts under the
8 seal of his or her office for all sums of money that are paid into the State
9 Treasury.

10 (b) The person receiving the receipts shall deposit one (1) of the
11 receipts with the Auditor of State, who shall credit the person accordingly
12 and charge the Treasurer of State with the amount.

13

14 19-2-103. Time for making payments.

15 (a) All payments for the expenses of the departments of the state
16 government are due and payable in the normal course of business.

17 (b) All payments of contingent expenses are due and payable as they
18 may accrue.

19

20 19-2-104. Expenditures, contracts, or obligations in excess of
21 appropriations prohibited.

22 (a)(1) An officer, employee, or agent of the State of Arkansas, or any
23 board of regents or board of trustees, or any other person or authority who
24 may make expenditures of money appropriated for the different state
25 institutions or who may direct the expenditure of such money so appropriated
26 shall not expend or direct the expenditure of moneys or funds in excess of
27 the amount appropriated and becoming a part of any appropriation by executive
28 approval for the particular purpose named in the act making the
29 appropriations.

30 (2) An officer, employee, agent, person, board, or authority
31 shall not make any contract that will exceed the amount appropriated and
32 becoming a part of any appropriation act by executive approval for the
33 particular purpose named in the act making the appropriation.

34 (3) An officer, agent, person, board, or authority shall not
35 incur any obligation for any purpose in excess of the amount appropriated and
36 becoming a part of any appropriation by executive approval for the particular

1 purpose named in the act making the appropriation, except as provided.

2 (b) An person violating this section is guilty of a violation and upon
3 conviction shall be fined in any sum not less than fifty dollars (\$50.00) nor
4 more than two hundred dollars (\$200).

5
6 19-2-105. Deficiencies in excess of appropriations unlawful.

7 (a) It is unlawful for the head or any subordinate in charge of a
8 state department, board, bureau, or other state-maintained institution to
9 cause, permit to occur, or allow to exist a deficiency in excess of regular
10 appropriation made for maintenance of the department, board, bureau, or other
11 state-maintained institution.

12 (b) A person violating this section is guilty of an unclassified
13 misdemeanor and upon conviction shall be:

14 (1) Fined in any sum not to exceed five hundred dollars (\$500)
15 or imprisoned not more than ninety (90) days, or both fined and imprisoned;
16 and

17 (2) Discharged from office.

18
19 Subchapter 2 – Receipts Generally

20
21 19-2-201. Acceptance of checks.

22 The Treasurer of State shall accept checks for the remittance due the
23 state.

24
25 19-2-202. Proceedings on bad checks.

26 (a) When remittance is made by check to the Treasurer of State and the
27 check is returned unpaid, the Treasurer of State shall make a duplicate of
28 the check and carry it as a cash item, delivering the original to the
29 Attorney General for collection after adding a penalty of twenty-five percent
30 (25%) to the amount of the check.

31 (b)(1) The Attorney General shall take such action as deemed proper
32 for the collection of a rejected check, together with twenty-five percent
33 (25%) of the face amount of the check as penalty, for the punishment of the
34 maker of that check under the criminal laws of this state.

35 (2) The penalty shall be credited to the same fund as was the
36 original amount of the check delivered to the Attorney General by the

1 Treasurer of State pursuant to subsection (a) of this section.

2 (c) If for any reason the Attorney General is unable to collect either
3 the principal or penalty on a rejected check, as contemplated by this
4 section, then, as soon as that fact is ascertained, the Treasurer of State
5 shall cancel the receipt for it, taking credit therefor, and notifying the
6 Auditor of State of the cancellation. The Auditor of State shall likewise
7 credit the Treasurer of State with it.

8 (d) A state official issuing a certificate of authority or making book
9 entries affecting any transaction, payment for which was made with bad
10 checks, shall cancel them upon receipt of the Attorney General's notice of
11 inability to collect on such checks as specified in subsection (c) of this
12 section.

13

14 19-2-203. Receipts by Department of Finance and Administration –
15 Additional penalty.

16 (a) If a person, firm, corporation, partnership, or business makes
17 payment to the Department of Finance and Administration for a license or fees
18 imposed by the laws of this state by means of a check, draft, or order drawn
19 on a bank, person, firm, or corporation, and the check, draft, or order is
20 returned by the bank, person, firm, or corporation without having been paid
21 in full, then the Secretary of the Department of Finance and Administration
22 may impose a penalty.

23 (b) The penalty imposed under this section:

24 (1) Shall be in the amount of either ten percent (10%) of the
25 face amount of the check, draft, or order or twenty dollars (\$20.00),
26 whichever is greater, against the maker or drawer of the check, draft, or
27 order; and

28 (2) Is cumulative to any other penalties provided by law.

29

30 19-2-204. Refusal to accept personal checks.

31 A state agency, board, commission, or institution shall not refuse to
32 accept personal checks unless the state agency, board, commission, or
33 institution has filed with the Legislative Council a written statement
34 justifying the policy of the state agency, board, commission, or institution
35 to not accept personal checks.

36

1 Subchapter 3 – Accounts and Notes Receivable Abatement Act

2
3 19-2-301. Title.

4 This subchapter shall be known and may be cited as the “Accounts and
5 Notes Receivable Abatement Act”.

6
7 19-2-302. Purpose.

8 This subchapter establishes procedures for the various state agencies,
9 authorities, boards, commissions, departments, and institutions of higher
10 education to charge-off or cancel uncollectible moneys owed to them.

11
12 19-2-303. Definitions.

13 As used in this subchapter:

14 (1) “Abatement” means a complete or partial cancellation of a
15 tax levied, special assessment, service charge, student loan, note
16 receivable, or other amounts for which asset recognition criteria have been
17 met;

18 (2)(A) “Accounts receivable” means an asset account upon the
19 books of record reflecting amounts owing on open account from persons or
20 organizations for taxes levied, special assessments, service charges, goods
21 and services furnished by a state agency, or other amounts for which asset
22 recognition criteria have been met.

23 (B) “Accounts receivable” does not include amounts due
24 from other state agencies;

25 (3) “Notes receivable” means an unconditional written promise,
26 signed by the maker, to pay a certain sum in money on demand or at a fixed or
27 determinable future time either to the bearer or to the order of a person
28 designated therein;

29 (4) “Special assessment” means a compulsory levy made against
30 certain properties or business entities to defray part or all of the cost of
31 a specific improvement or service deemed to primarily benefit or regulate
32 those upon whom the assessment is levied;

33 (5) “State agency” means a state agency, board, authority,
34 commission, department, or institution of higher education created by or
35 receiving an appropriation by the General Assembly; and

36 (6) “Tax” means a compulsory charge levied by the State of

1 Arkansas for the purpose of financing services performed for the common
2 benefit of its citizens.

3
4 19-2-304. Recording of amounts due.

5 Each state agency shall record upon its books of record the amounts due
6 it for delivery of goods and services, licenses, unpaid taxes, student loans,
7 special assessments, accounts receivable, and notes receivable that are
8 recognized by the state agency as due and payable or recognized as current-
9 year income or as an asset that is due and payable upon a date ascertained.

10
11 19-2-305. Referring of outstanding debts for collection.

12 (a) A state agency shall diligently and actively pursue the collection
13 of the state agency's accounts and notes receivable.

14 (b) Diligently and actively pursuing the collection of these accounts
15 may include without limitation:

16 (1) Contacting the debtor by phone or letter within a reasonable
17 time after an account is deemed delinquent;

18 (2)(A) Referring an account to a licensed collection agency or
19 an attorney for collection with a remuneration not exceeding fifty percent
20 (50%) for accounts of five hundred dollars (\$500) or less and not exceeding
21 thirty-three and one-third percent (33 $\frac{1}{3}$ %) for accounts in excess of five
22 hundred dollars (\$500).

23 (B) If a state agency is unable to procure the services of
24 a collection agency or attorney for the collection of any account in excess
25 of five hundred dollars (\$500) for a fee of one-third ($\frac{1}{3}$) of the amount
26 recovered as authorized in this subsection, the state agency may report this
27 fact to the Legislative Joint Auditing Committee, and the Legislative Joint
28 Auditing Committee may authorize the state agency to pay a higher fee for
29 collecting the account, not to exceed fifty percent (50%);

30 (3) Pursuing setoff of debt against income tax refunds as
31 allowed by §§ 26-36-301 – 26-36-320; or

32 (4) Pursuing all other available means of collection if deemed
33 feasible and economically justifiable by the state agency.

34
35 19-2-306. Abatement of debt.

36 (a) If after the state agency has pursued collection of the debt owed

1 the state agency as set out in this subchapter and the debt or partial debt
2 is decreed to be uncollectible, then the debt shall be referred to the Chief
3 Fiscal Officer of the State for abatement.

4 (b) The Chief Fiscal Officer of the State shall satisfy himself or
5 herself that all efforts to collect the debt have been fulfilled, and he or
6 she may then, by written approval, declare the debt or remaining debt
7 uncollectible and notify the state agency and Legislative Joint Auditing
8 Committee of abatement of the debt.

9
10 19-2-307. Rules.

11 The Secretary of the Department of Finance and Administration may
12 promulgate rules that are necessary to implement this subchapter.

13
14 Subchapter 4 – Expenditures Generally

15
16 19-2-401. Emergency expenditures.

17 (a)(1) In the event of riots, threatened riots, sabotage, public
18 insurrection, threatened insurrection, storm, flood, famine, or other public
19 calamity that jeopardizes the public peace, health, and safety of citizens of
20 Arkansas that calls for immediate action, the Governor is delegated and
21 authorized by the General Assembly to declare an emergency to exist and to
22 issue a proclamation declaring an emergency to exist.

23 (2) Other requests for utilization of this appropriation shall
24 be submitted for prior review by the Governor to a Governor's Emergency Fund
25 Review Committee, meeting in committee, composed of the cochaIRS and co-vice
26 chairs of the Legislative Joint Auditing Committee and the cochaIRS and co-
27 vice chairs of the Legislative Council.

28 (b) A proclamation or request, as approved by the Governor or the
29 Governor's Emergency Fund Review Committee, shall include:

30 (1) The nature and location of the emergency;

31 (2) The name of the department or agency that, in the Governor's
32 opinion, is best able to alleviate or obviate the conditions that have arisen
33 or are about to arise because of the emergency; and

34 (3) The amount of funds required for the emergency, with the
35 amount or so much of the amount that has been set forth in each proclamation
36 to be extended upon vouchers drawn by the disbursing agent of the department

1 or agency named in the proclamation.

2 (c) The original of the proclamation shall be filed with the Secretary
3 of State, and an executed counterpart of it shall be filed with the Auditor
4 of State, the Treasurer of State, and the Department of Finance and
5 Administration.

6 (d)(1) Any expenditures made in accordance with the authorizations
7 provided for in this section may be reimbursed to the Miscellaneous Revolving
8 Fund by transfers authorized by the Chief Fiscal Officer of the State from
9 funds or fund accounts supporting the benefiting agencies.

10 (2) However, for Governor's proclamations and emergencies of a
11 nature in which no specific state agency is the beneficiary, the expenditures
12 shall be borne by the Miscellaneous Revolving Fund.

13

14 Subchapter 5 – Canceled Checks

15

16 19-2-501. Purpose.

17 The State of Arkansas and its political subdivisions have the
18 responsibility to properly account for all financial transactions. In order
19 to help fulfill this responsibility, the State of Arkansas and other public
20 entities are required to maintain books and records of transactions. The
21 State of Arkansas and its political subdivisions recognize that through the
22 use of computers and electronic data, banking and the flow of information are
23 continuing to change. With this change, it is important that the State of
24 Arkansas and its political subdivisions continue to receive evidentiary
25 information concerning financial transactions. The purpose of this subchapter
26 is to permit public entities to accept photographic copies or digital images
27 of financial transactions and to require financial institutions to furnish
28 the needed documentation in a readable, meaningful, permanent format.

29

30 19-2-502. Definition – Records of transactions with financial
31 institutions required.

32 (a) As used in this subchapter, "public entity" means state agencies,
33 including all constitutional offices and agencies, boards, and commissions,
34 state institutions of higher education, municipalities, counties, school
35 districts, education service cooperatives, improvement districts, and other
36 public officials or public offices.

1 (b) A public entity shall maintain records of all transactions with
2 financial institutions.

3
4 19-2-503. Eligibility to accept public funds.

5 For a financial institution to be eligible to be a depository of public
6 funds, the financial institution shall furnish the public entity the
7 documentation required in this subchapter of transactions with or through
8 that financial institution.

9
10 19-2-504. Transaction summaries.

11 (a) On a monthly basis, a financial institution shall furnish a public
12 entity with statements summarizing all transactions of the public entity.

13 (b) Unless the public entity and the financial institution have a
14 written agreement to receive digital images or copies in compliance with this
15 subchapter, the financial institution shall return all original canceled
16 checks to the public entity along with the transaction summary or statement.

17
18 19-2-505. Approval by Arkansas Legislative Audit.

19 (a) A financial institution desiring to provide public entities with
20 images of canceled checks as provided in this subchapter shall provide a
21 sample of imaged documents in one (1) or more of the following formats to
22 Arkansas Legislative Audit for review:

- 23 (1) Stored on a CD-ROM or similar tangible digital media;
24 (2) Accessible through the internet; or
25 (3) On paper.

26 (b) Upon receipt of imaged documents submitted under subsection (a) of
27 this section, Arkansas Legislative Audit shall immediately review and notify
28 the financial institution whether or not the imaged documents are in
29 compliance with this subchapter.

30
31 19-2-506. Digital images or copies of documentation.

32 (a) After a financial institution has received written notification
33 from Arkansas Legislative Audit that the submitted samples of its imaged
34 documents under § 19-2-505 comply with this subchapter and upon agreement
35 with the public entity, the financial institution may provide the public
36 entity canceled check images in the format and quality approved by Arkansas

1 Legislative Audit.

2 (b) The canceled check images of financial transactions provided to
3 the public entity by the financial institution under this subchapter shall be
4 legible and show both the front and back images of the canceled checks.

5 (c)(1) If a financial institution provides canceled check images on
6 tangible digital media under this subchapter, the images shall be provided on
7 a read-only CD-ROM or other agreed upon digital media that would provide a
8 permanent and tamper-proof record.

9 (2)(A) If particular software is needed to view or search the
10 digital images provided under this subchapter, the financial institution
11 shall provide the software to the public entity and, upon request, to
12 Arkansas Legislative Audit.

13 (B) Software provided under subdivision (c)(2)(A) of this
14 section shall make canceled check images clear and readable.

15 (3) Before delivery of a CD-ROM or other tangible digital media
16 to a public entity, a financial institution shall perform random verification
17 of the legibility of the contents of the data.

18 (d)(1) If a financial institution provides canceled check images to a
19 public entity through internet access to online banking documents under this
20 subchapter, the financial institution may provide Arkansas Legislative Audit
21 read-only internet access to the public entity's online banking documents.

22 (2) Read-only internet access granted under subdivision (d)(1)
23 of this section shall permit viewing and copying of each public entity's bank
24 statements, canceled check images, deposit slips, and other financial
25 transaction documentation made available to the public entity.

26 (3)(A) If particular software is needed to view or search images
27 made available under this subsection, the financial institution shall provide
28 the necessary software to the public entity and, upon request, to Arkansas
29 Legislative Audit.

30 (B) Software provided under subdivision (d)(3)(A) of this
31 section shall make canceled check images clear and readable.

32 (4) An online banking document made available to a public entity
33 under this subsection shall be available for read-only internet access for at
34 least five (5) years after the document is made available to the public
35 entity online.

36 (e) If a financial institution provides canceled check images on paper

1 under this subchapter, the images shall be of such clarity and size that the
2 details may be read without the aid of a magnifying device.

3 (f)(1) If a financial institution provides canceled check images under
4 this subchapter, the financial institution shall implement one (1) of the
5 following procedures to provide verification of the authenticity of the
6 records retained by the public entity:

7 (A) A duplicate copy of the check images on paper and
8 statements mailed to Arkansas Legislative Audit on a monthly basis;

9 (B) The use of an identifying mark unique to the financial
10 institution on the paper images of checks sent to the public entity;

11 (C) The delivery of a duplicate copy of the check images
12 stored on tangible digital media, conforming to the digital imaging
13 specifications stated in this subchapter, to Arkansas Legislative Audit on a
14 monthly basis;

15 (D) The provision to Arkansas Legislative Audit of read-
16 only internet access to the public entity's online banking documents in
17 accordance with the requirements of this subchapter; or

18 (E) Any other authenticating method approved by Arkansas
19 Legislative Audit.

20 (2) A financial institution may elect which of the procedures
21 listed in subdivision (f)(1) of this section it shall implement to provide
22 authentication of images relating to the accounts of each public entity.

23 (g) A financial institution shall be able to, and, at the request of
24 Arkansas Legislative Audit, shall provide duplicate copies of any checks and
25 statements delivered to a public entity:

26 (1) With the same clarity and size as the imaged documents
27 previously delivered; and

28 (2) In the format requested by Arkansas Legislative Audit if the
29 format is currently available to the financial institution.

30

31 19-2-507. Request of records by Legislative Auditor.

32 (a) Upon request by the Legislative Auditor, a financial institution
33 shall provide a copy of a public entity's financial information directly to
34 Arkansas Legislative Audit staff without delay or approval from the public
35 entity.

36 (b) The financial institutions may provide the digital transaction

1 statements and digital canceled check images to Arkansas Legislative Audit in
2 a media format allowed under this subchapter for public entities or other
3 media mutually agreed upon by the financial institution and Arkansas
4 Legislative Audit.

5 (c)(1) A bank is not liable for making available to Arkansas
6 Legislative Audit staff any of the information required under this
7 subchapter.

8 (2) Any cost associated with providing this information to
9 Arkansas Legislative Audit shall be borne by the public entity being audited
10 or investigated.

11

12 19-2-508. Effect on other laws.

13 This subchapter does not change, amend, or repeal any laws or rules
14 regarding a financial institution's normal obligations and responsibilities
15 to maintain customer financial records.

16

17

CHAPTER 3

18

STATE TREASURY MANAGEMENT

19

20 Subchapter 1. General Provisions [Reserved.]

21 Subchapter 2. Temporary Loans to Local Governments

22 Subchapter 3. State Treasury Management Law

23 Subchapter 4. State Treasury Money Management Trust Act

24 Subchapter 5. State Board of Finance

25

26

Subchapter 1 – General Provisions [Reserved.]

27

28

Subchapter 2 – Temporary Loans to Local Governments

29

30

19-3-201. Legislative intent.

31

32 The General Assembly recognizes that legislation considered by the
33 First Extraordinary Session of the Seventy-First General Assembly may remove
34 the penalty requirements for failure to pay property taxes by installments
35 and that this action may result in a reduction of property tax revenues
36 available to cities, counties, and school districts, thereby imposing a
financial hardship upon the cities, counties, and school districts during

1 portions of their calendar or fiscal year. It is, therefore, the intent of
2 this subchapter to authorize the State Board of Finance, in the manner
3 provided in this subchapter, to make temporary loans to cities, counties, and
4 school districts to assist in maintaining their average cash flow if there is
5 a material reduction in their cash flow resulting from legislation enacted by
6 the First Extraordinary Session of the Seventy-First General Assembly.

7
8 19-3-202. Procedure for obtaining and repaying loans.

9 (a)(1) The State Board of Finance may make temporary loans to cities,
10 counties, and school districts from average daily balances in the State
11 Treasury available to the board for investment purposes.

12 (2)(A) For a city, county, or school district to be eligible to
13 receive temporary loans under this subchapter, the city, county, or school
14 district shall prepare a schedule from each of the five (5) preceding
15 calendar or fiscal years.

16 (B) This schedule shall reflect the average monthly cash
17 flow derived from property tax sources and the proportion of property taxes
18 available during each month as they relate to the aggregate amount of
19 property taxes collected and available to the city, county, or school
20 district during the calendar or fiscal year, and the city, county, or school
21 district shall average the monthly cash flow percentages for the five-year
22 period.

23 (b)(1) If the board determines that the cash flow of the city, county,
24 or school district has fallen below the monthly average percentage cash flow
25 for property taxes available to the city, county, or school district for the
26 prior five (5) fiscal years and that the current level of cash flow is not
27 adequate to enable the city, county, or school district to maintain an
28 adequate level of services, the board may make temporary loans to the city,
29 county, or school district.

30 (2) These temporary loans may be in an aggregate amount no
31 greater than the difference between average monthly percentage cash flow of
32 the city, county, or school district for the preceding five (5) years for the
33 period and the actual percentage cash flow in the current tax year computed
34 on the basis of taxes collected in relation to the estimated tax collections
35 for the tax year.

36 (c)(1) All these temporary loans shall be repaid to the board upon

1 their maturity. The maturity of a temporary loan shall not be beyond the
2 last day of the calendar year in which the loan is made.

3 (2)(A) If a city, county, or school district fails or refuses to
4 pay any such temporary loan according to the repayment schedule agreed to by
5 the board or as set forth in this section, the board shall certify this fact
6 and the amount of the unpaid temporary loan to the Treasurer of State.

7 (B) The Treasurer of State shall withhold the amount of
8 the unpaid temporary loan from the next moneys available for distribution to
9 the city, county, or school district from state general revenues and shall
10 transfer the amount from the County Aid Fund, the Municipal Aid Fund, or the
11 Public School Fund, as the case may be, to the appropriate State Treasury
12 account or source from which the temporary loan was made.

13

14 19-3-203. Rules.

15 The State Board of Finance may promulgate appropriate rules for the
16 administration of this subchapter, including the establishment of the
17 necessary forms and loan instruments to be used in connection with making
18 loans under this subchapter.

19

20 Subchapter 3 – State Treasury Management Law

21

22 19-3-301. Title.

23 This subchapter shall be known and may be cited as the “State Treasury
24 Management Law”.

25

26 19-3-302. Definitions.

27 As used in this subchapter:

28 (1) “Bank” means:

29 (A) A state bank, a national bank, or an out-of-state
30 state-chartered bank that has received a certificate of authority under § 23-
31 48-1001; and

32 (B) A foreign bank organized under the laws of a territory
33 of the United States, Puerto Rico, Guam, American Samoa, or the United States
34 Virgin Islands if the deposits of the foreign bank are insured by the Federal
35 Deposit Insurance Corporation;

36 (2) “Bank depository” means a bank or savings and loan

1 association that accepts a deposit of funds from the State Treasury;

2 (3) "Capital base" means the sum of a bank's capital stock,
3 surplus, and undivided profits, plus any additions and less any subtractions
4 which the Bank Commissioner may by rule prescribe;

5 (4) "Cash Account" means the asset account in the State Treasury
6 consisting of all cash:

7 (A) In the hands of the Treasurer of State; and

8 (B) On deposit in the name of the Treasurer of State in a
9 bank depository;

10 (5) "Certificate of Deposit Account" means the asset account in
11 the State Treasury consisting of all, but only, certificates of deposit
12 acquired by the Treasurer of State through the State Treasury Certificate of
13 Deposit Investment Program;

14 (6) "Fund account" means a specifically named liability account
15 in the State Treasury to which moneys are credited upon receipt and charged
16 upon withdrawal that:

17 (A) Is created or authorized by law; and

18 (B) Reflects the amount of money owed to an agency or
19 instrumentality of the State of Arkansas;

20 (7) "Gross treasury fund balances" means the aggregate total
21 amount of the balances standing to the credit of all funds on the records of
22 the Treasurer of State;

23 (8) "Investment depository" means a person or entity that
24 accepts money or securities from the State Treasury for investment purposes;

25 (9) "National bank" means a national banking association
26 organized to carry on the business of banking under Title 12, Chapter 2, of
27 the United States Code;

28 (10) "Safekeeping Account" means the account in the State
29 Treasury administered by the Treasurer of State for the benefit of other
30 government entities consisting of all securities received by the Treasurer of
31 State from the administrators of the several state retirement systems and
32 other trust accounts;

33 (11) "Savings and loan association" means a corporation carrying
34 on the business of a savings and loan association or a building and loan
35 association under a charter issued by this state or any federal savings
36 association or federal savings bank that is chartered under federal law;

1 (12) "Securities Account" means the asset account in the State
2 Treasury consisting of all securities held by the Treasurer of State through
3 its investment of gross state fund balances;

4 (13)(A) "Securities broker" means a person or entity that:

5 (i) Buys or sells an investment for the State
6 Treasury; or

7 (ii) Receives any form of compensation or
8 remuneration in connection with the purchase or sale of an investment of
9 State Treasury funds.

10 (B) "Securities broker" includes a stock broker, a
11 securities broker, an investment adviser, and any other person or entity that
12 facilitates or helps to facilitate a transaction concerning an investment of
13 State Treasury funds;

14 (14) "State bank" means a state bank as defined in § 23-45-102;

15 (15) "State Treasury" means all moneys, securities, and gross
16 treasury fund balances administered by the Treasurer of State;

17 (16) "Trust Deposit Account" means the asset account in the
18 State Treasury consisting of all, but only, certificates of deposit
19 administered by the Treasurer of State for the benefit of the several
20 retirement systems and other trust fund accounts;

21 (17) "Trust fund account" means a specifically named liability
22 account designated by law as a trust fund in the State Treasury to which
23 moneys are credited upon receipt and debited upon withdrawal, representing
24 the balance owed by the State Treasury to agencies and instrumentalities of
25 the State of Arkansas; and

26 (18) "Trust Investment Account" means the asset account in the
27 State Treasury consisting of all, but only, securities administered by the
28 Treasurer of State for the benefit of the several retirement systems and
29 other trust fund accounts.

30
31 19-3-303. State Treasury accounts.

32 The Treasurer of State may create and rename accounts to ensure the
33 proper accounting and administration of the State Treasury.

34
35 19-3-304. Record and report of financial transactions.

36 (a)(1)(A) The State Board of Finance shall:

1 (i) Establish the record-keeping requirements of the
2 Treasurer of State for the State Treasury; and

3 (ii) Require that:

4 (a) The liability accounts of the State
5 Treasury be recorded in amounts and sufficient detail to allow the
6 identification of the governmental entity to which funds are owed;

7 (b) The asset accounts of the State Treasury
8 be recorded in amounts and sufficient detail to identify the type of assets
9 owned; and

10 (c) All accounts of the State Treasury be
11 recorded using a basis of accounting approved by the board that is consistent
12 with generally accepted accounting principles.

13 (B) The record-keeping requirements under subdivision
14 (a)(1)(A) of this section:

15 (i) May exceed the requirements of this section; and

16 (ii) Shall include without limitation records
17 showing:

18 (a) The identity of each fund and category of
19 funds; and

20 (b) A comparison of:

21 (1) Liquidity requirements established
22 by the board and the State Treasury's actual liquidity; and

23 (2) The target rate of investment return
24 established by the board and the State Treasury's actual rate of investment
25 return.

26 (2)(A) Each fund account shall be listed separately on the
27 records of the Treasurer of State under its major group heading.

28 (B) For each fund account, each group, and each major
29 group, the records shall reflect each day:

30 (i)(a) Summary financial transactions for the day
31 and cumulative summary financial transactions for the current fiscal year.

32 (b) The summaries required by subdivision
33 (a)(2)(B)(i)(a) of this section shall include:

34 (1) A statement of:

35 (A) Direct receipts;

36 (B) Transfer receipts;

1 (C) Disbursements by warrant
2 redemption; and
3 (D) Disbursements by transfer; and
4 (2) The amount of uncollected checks
5 legally charged off;
6 (ii) The credit balance at the close of business;
7 and
8 (iii) The composition of gross treasury fund
9 balances.
10 (3) Additionally, the records shall reflect in summary form the
11 total principal amount of securities held in trust in the Safekeeping
12 Account.
13 (4) The enumeration of requirements in this subsection does not:
14 (A) Limit the items of summary financial information that
15 may be included in the records or reports of the Treasurer of State; or
16 (B) Exclude other primary, subsidiary, or auxiliary
17 records as may be required by law, kept by the Treasurer of State, or as may
18 be required of the Treasurer of State by the Chief Fiscal Officer of the
19 State in the performance of the duties of the Treasurer of State.
20 (b)(1) A daily and a monthly report of the information required by
21 subsection (a) of this section shall be:
22 (A) Prepared by the Treasurer of State and delivered to
23 the Chief Fiscal Officer of the State; and
24 (B) Open to public inspection during normal business
25 hours.
26 (2) A report of the information required by subsection (a) of
27 this section shall be delivered in electronic format annually to the
28 Legislative Council, Arkansas Legislative Audit, and the Governor on:
29 (A) January 10 for the six-month period ending the
30 immediately preceding December 31; and
31 (B) July 10 for the immediately preceding fiscal year.
32
33 19-3-305. Disposition of moneys received by Treasurer of State.
34 (a)(1) The Treasurer of State shall issue receipts to depositors of
35 moneys into the State Treasury.
36 (2) On the day of receipt or as soon as practical, the moneys

1 shall be credited to the appropriate fund as provided by law.

2 (b)(1) After credit to the appropriate funds, the moneys shall be:

3 (A) Commingled with all other moneys in the State
4 Treasury; and

5 (B) Deposited into bank depositories to the credit of the
6 account of the Treasurer of State or invested as prescribed in this
7 subchapter.

8 (2) This subsection does not prohibit the Treasurer of State
9 from keeping cash of the State Treasury in the Treasurer of State's office in
10 reasonable amounts necessary for the transaction of the day-to-day business
11 of the office with persons and firms other than bank depositories.

12

13 19-3-306. Custodian of moneys and securities – Internal controls –
14 Annual audit.

15 (a)(1) The Treasurer of State shall:

16 (A) Be custodian of all moneys, securities, and
17 certificates of deposit at any time held in the State Treasury; and

18 (B) Maintain all moneys and securities consistent with
19 generally accepted accounting principles.

20 (2) However, control of the disposition of securities is vested
21 in the respective administrators of the several trust accounts for whom the
22 securities are held.

23 (b) To ensure the financial integrity of the State Treasury, the
24 Treasurer of State shall:

25 (1) Establish and maintain effective internal controls over
26 financial reporting and record keeping, including the monitoring of ongoing
27 activities, and comply with the Arkansas Constitution and applicable laws,
28 rules, contracts, and agreements;

29 (2) Establish and maintain effective internal controls to
30 prevent and detect fraud;

31 (3) With respect to State Treasury funds or other public funds,
32 notify Arkansas Legislative Audit of all known fraud or suspected fraud or
33 all known or suspected illegal acts involving the management or other
34 employees of the Treasurer of State, the State Board of Finance, a bank
35 depository, an investment depository, or a securities broker;

36 (4) Inform Arkansas Legislative Audit and the Chief Fiscal

1 Officer of the State of any known material violations of the Arkansas
2 Constitution or applicable statutes, rules, contracts, or agreements;

3 (5) Prepare records and reports in accordance with guidelines
4 and timelines established by the Chief Fiscal Officer of the State to permit
5 incorporation into the state's financial statements and to permit the audit
6 of the state's financial statements and the records, reports, and financial
7 statements of the Treasurer of State in a timely manner; and

8 (6) Make all financial records and related information available
9 to Arkansas Legislative Audit, including the identification of significant
10 personal or financial relationships between a director, officer, or employee
11 of a bank depository, investment depository, or securities broker and an
12 officer or employee of the Treasurer of State or board.

13

14 19-3-307. Bank depositories generally.

15 (a) Subject to the conditions and limitations provided in §§ 19-3-308
16 – 19-3-317, a bank or savings and loan association may be designated as a
17 bank depository.

18 (b)(1) A bank or savings and loan association is not required to act
19 as a bank depository.

20 (2) However, the acceptance of a deposit of State Treasury funds
21 requires a bank depository to observe §§ 19-3-308 – 19-3-317.

22

23 19-3-308. Deposits in ineligible institutions.

24 (a) The Treasurer of State shall not deposit State Treasury funds into
25 an institution that is not eligible to be a bank depository under § 19-3-307
26 unless deposits in the institution are required to be made by other law or by
27 resolution of a state board or commission duly adopted pursuant to the
28 authority and requirement of other law.

29 (b) The prohibition of subsection (a) of this section does not apply
30 to funds payable from the State Treasury that are required by paying agents
31 to meet debt service requirements of bond obligations incurred by law.

32

33 19-3-309. Maximum amount of deposits and investments – Protection of
34 State Treasury funds.

35 (a) The maximum amount of moneys and securities from the State
36 Treasury held by a bank depository shall not exceed an amount equal to the

1 total amount of the capital base of the bank depository.

2 (b) An investment depository and a securities broker shall provide the
3 Treasurer of State and State Board of Finance proof of:

4 (1) Securities investor protection coverage for each investment
5 of State Treasury funds; and

6 (2) Compliance with fidelity bond requirements of the United
7 States Securities and Exchange Commission.

8

9 19-3-310. Types of accounts for deposits.

10 (a)(1) Funds from the State Treasury deposited into a bank depository
11 or an investment depository shall be credited to accounts in the name of the
12 Treasurer of State.

13 (2) Except as provided in § 19-3-312, the Treasurer of State may
14 establish accounts as demand deposit accounts, certificates of deposit, or
15 other accounts.

16 (b) The certificate of deposit account in a bank depository or an
17 investment depository shall consist of funds from the State Treasury
18 deposited under the State Treasury Certificate of Deposit Investment Program
19 and trust funds deposited for various trust funds.

20 (c) The demand deposit account in a bank depository or an investment
21 depository shall consist of:

22 (1) All federal funds, as described in § 19-7-701 et seq.;

23 (2) Trust funds to the extent that the trust funds are not
24 invested in securities and certificates of deposit; and

25 (3) State funds to the extent that the state funds are not
26 invested in securities.

27 (d) Funds from the State Treasury shall not be deposited into a bank
28 depository or an investment depository except under the terms of a written
29 agreement entered into between the Treasurer of State and the bank depository
30 or investment depository that complies with applicable state law and rules
31 and federal law, rules, and regulations.

32

33 19-3-311. Term of deposit – Interest.

34 (a) At a meeting called and held before the start of the term of a
35 certificate of deposit, the State Board of Finance shall determine the
36 interest rate to be paid on certificates of deposit invested through the

1 State Treasury Certificate of Deposit Investment Program.

2 (b) The Treasurer of State and each bank depository shall enter into
3 an agreement establishing the term or renewal term of the certificate of
4 deposit.

5 (c)(1) Notice of the date and time of the meeting shall be given by
6 the Secretary of the State Board of Finance and published in a newspaper of
7 statewide circulation at least five (5) days but no more than fifteen (15)
8 days before the meeting.

9 (2) At the meeting a person desiring to be heard shall be given
10 the opportunity to express his or her views on any matter under consideration
11 by the board.

12 (3) After considering all views expressed and the views of the
13 board members, the board shall fix the rate of interest to be used by the
14 Treasurer of State and paid by bank depositories during the next term.

15

16 19-3-312. Estimate and investment of funds not needed for immediate
17 cash requirements.

18 (a)(1) No less than quarterly, the State Board of Finance in
19 conjunction with the Chief Fiscal Officer of the State shall determine the
20 amount of funds from the State Treasury available for deposit by the
21 Treasurer of State into the State Treasury Certificate of Deposit Investment
22 Program.

23 (2) The board shall direct the investment of all moneys that
24 exceed the cash requirements needed to satisfy outstanding warrants and other
25 liquid obligations for the succeeding quarter.

26 (b)(1) At least ten (10) days before making the determination required
27 by subsection (a) of this section and after reviewing current holdings in the
28 State Treasury and all available revenue forecasts, appropriations,
29 expenditure budgets, year-to-date expenditure reports, prior year expenditure
30 trends, and any other pertinent information, the Chief Fiscal Officer of the
31 State shall advise the board of the estimated amount of cash reserves
32 expected to be needed by the Treasurer of State to purchase warrants in the
33 next fiscal quarter.

34 (2) The board shall direct the Treasurer of State:

35 (A) To purchase warrants in the next fiscal quarter; and

36 (B) In the type and amount for deposit and investment of

1 all holdings exceeding cash reserves for warrant purposes.

2 (c) The Treasurer of State, acting ministerially, may do all things
3 necessary to accomplish the purposes and intent of this section.

4

5 19-3-313. Interest income on deposits.

6 (a) Interest from time to time due by a bank depository on Cash
7 Account demand deposit accounts and Certificate of Deposit Account
8 certificates of deposit shall be paid to the Treasurer of State as directed
9 by the Treasurer of State.

10 (b) The interest income shall be classified as trust fund income, and
11 the net amount of the interest income shall be credited to the Securities
12 Reserve Fund.

13

14 19-3-314. List of deposits.

15 (a)(1) On or before the tenth day following the end of each calendar
16 quarter, the Treasurer of State shall prepare a list of all bank
17 depositories.

18 (2) For each bank depository, the list shall include the amounts
19 of State Treasury funds on time deposit and on demand deposit on the last day
20 of business of the calendar quarter.

21 (b) The list shall be maintained for public inspection at the office
22 of the Treasurer of State.

23

24 19-3-315. Charges on deposits.

25 (a)(1) The Treasurer of State, acting ministerially, may contract with
26 a bank depository or investment depository to pay processing fees for
27 handling funds of the State Treasury if it is deemed to be in the best
28 interest of the State of Arkansas.

29 (2) The processing fees shall be paid by state warrant from
30 appropriations to the Treasurer of State.

31 (b) Unless authorized by its contract with the Treasurer of State, a
32 bank depository or investment depository shall not make any charge for
33 handling funds of the State Treasury.

34 (c) A bank depository or investment depository shall not use
35 compensating deposit balances to offset processing fees.

36 (d) A claim for a charge or processing fee in violation of this

1 section is void.

2

3 19-3-316. Discontinuance as bank depository.

4 (a) A bank depository that refuses to cash upon presentation by the
5 payee within thirty (30) days of issuance a state warrant of five hundred
6 dollars (\$500) or less drawn upon the State Treasury or a bank check of five
7 hundred dollars (\$500) or less issued by a state agency shall:

8 (1) Be discontinued immediately as a bank depository; and

9 (2) For a period of time determined by the State Board of
10 Finance, be ineligible for reinstatement as a bank depository.

11 (b) This section does not prevent a bank depository from:

12 (1) Taking a reasonable time to make proper identification of
13 the persons and signatures of payees named in warrants or checks; or

14 (2) Seeking indemnification for losses from cashing warrants or
15 checks for persons other than the payees named in the warrants or checks.

16

17 19-3-317. Effect of proper deposits.

18 The deposit of State Treasury funds in accordance with §§ 19-3-307 –
19 19-3-317 relieves the Treasurer of State and the surety on the bond of the
20 Treasurer of State of liability for the loss of the funds by reason of the
21 default or insolvency of a bank depository.

22

23 19-3-318. Investments in securities and bank certificates of deposit.

24 (a)(1) Trust fund accounts in the State Treasury may be invested in:

25 (A) Certificates of deposit of banks and savings and loan
26 associations; and

27 (B) Securities eligible under other law.

28 (2)(A) The administrator of a trust fund account shall review,
29 from time to time, the flow of moneys through the trust fund account in the
30 State Treasury to determine the estimated surplus moneys in the trust fund
31 account that exceed the immediate requirements of the trust fund account.

32 (B)(i)(a) After taking into consideration the amount of
33 the estimated surplus moneys under subdivision (a)(2)(A) of this section, the
34 administrator shall certify to the Treasurer of State the amount of surplus
35 moneys and the period of time during which the surplus moneys are not
36 required.

1 (b) The Treasurer of State shall invest the
2 amount certified in certificates of deposit issued by eligible banks and
3 savings and loan associations.

4 (c) If the Treasurer of State is unable to
5 place the certified amount in certificates of deposit, then the remainder may
6 be placed in securities with the administrator's approval.

7 (ii)(a) Moneys required for a purchase under this
8 subdivision (a)(2)(B) shall be withdrawn from the Cash Account and paid to
9 the bank depository issuing the certificate of deposit or the investment
10 depository selling the securities.

11 (b)(1) The principal amount of the certificate
12 of deposit shall be debited to the Trust Deposit Account.

13 (2) The principal amount of a security
14 shall be debited to the Trust Investment Account.

15 (iii) The certificates of deposit shall be secured
16 by the Treasurer of State in accordance with the collateralization and
17 investment policies of the State Board of Finance.

18 (iv)(a) Interest on bank certificates of deposit
19 shall be paid at competitive rates according to the investment policy
20 established by the State Board of Finance.

21 (b) All interest income derived from
22 certificates of deposit or securities shall be credited as trust fund income
23 to the trust fund used to purchase a certificate of deposit or security.

24 (3)(A) The Securities Reserve Fund shall be maintained on demand
25 deposit in depository banks.

26 (B) This subsection does not apply to the Securities
27 Reserve Fund.

28 (b)(1)(A) The State Board of Finance may direct that a portion of
29 state funds in the State Treasury be invested in certificates of deposit in
30 the State Treasury Certificate of Deposit Investment Program as provided in §
31 19-3-319.

32 (B) The remaining portion of state funds in the State
33 Treasury may be invested in:

34 (i) Certificates of deposit;

35 (ii) Direct obligations of the United States
36 Government;

1 (iii) Obligations of agencies and instrumentalities
2 created and authorized by act of the United States Congress to issue
3 securities or evidences of indebtedness, regardless of guarantee of repayment
4 by the United States Government;

5 (iv) Obligations in which the principal and interest
6 are fully guaranteed by:

7 (a) The United States Government; or

8 (b) An agency or an instrumentality created by
9 an act of the United States Congress and authorized by the United States
10 Congress to issue the guarantee;

11 (v) Obligations in which the principal and interest
12 are fully secured, insured, or covered by a commitment or agreement to
13 purchase the obligation by:

14 (a) The United States Government; or

15 (b) An agency or instrumentality created by an
16 act of the United States Congress and authorized by the United States
17 Congress to issue the commitment or agreement;

18 (vi) General obligations of the states of the United
19 States and of the political subdivisions, municipalities, commonwealths,
20 territories, or insular possessions of the states of the United States;

21 (vii) Obligations issued by the State Board of
22 Education under authority of the Arkansas Constitution or applicable
23 statutes;

24 (viii) Warrants of a political subdivision or
25 municipality of the State of Arkansas having maturities not exceeding one (1)
26 year;

27 (ix) Prerefunded municipal bonds, if the principal
28 and interest of the municipal bonds are fully secured by the principal and
29 interest of a direct obligation of the United States Government;

30 (x) The sale of federal funds with a maturity of not
31 more than one (1) business day;

32 (xi) Demand, savings, or time deposits or accounts
33 of a depository institution chartered by the United States, a state of the
34 United States, or the District of Columbia if funds invested in the demand,
35 savings, or time deposits or accounts are fully insured by a federal deposit
36 insurance agency;

1 (xii) Repurchase agreements that are fully
2 collateralized by securities stated in subdivisions (b)(1)(B)(ii)-(v) of this
3 section if the repurchase agreement provides for taking delivery of the
4 collateral directly or through an authorized custodian;

5 (xiii) A securities or other interest in an open-end
6 type investment company or investment trust registered under the Investment
7 Company Act of 1940 and that is defined as a "money market fund" under 17
8 C.F.R. § 270.2a-7 if:

9 (a) The portfolio of the investment company or
10 investment trust is limited principally to United States Government
11 obligations and to repurchase agreements fully collateralized by United
12 States Government obligations; and

13 (b) The investment company or investment trust
14 takes delivery of the collateral either directly or through an authorized
15 custodian; or

16 (xiv) As approved by the guidelines established by
17 the State Treasury investment policy approved by the State Board of Finance,
18 a corporate obligation with an investment grade rating of at least BBB, A2,
19 P2, or an equivalent rating as indicated by at least two (2) nationally
20 recognized statistical rating organizations.

21 (2)(A)(i) Moneys required for a purchase under subdivision
22 (b)(1) of this section shall be withdrawn from the Cash Account and paid to
23 the seller of the securities.

24 (ii) The cost of the securities shall be debited to
25 the Securities Account.

26 (B) The proceeds of the sale or redemption of securities
27 withdrawn from the Securities Account shall be debited in the Cash Account in
28 the State Treasury.

29 (C)(i) For all purchases, sales, and redemptions of
30 securities under this subsection, discounts and premiums shall be credited or
31 charged, as appropriate, to the Securities Reserve Fund.

32 (ii) Discounts and premiums that are increments and
33 all interest received on securities held in the Securities Account shall be
34 classified as trust fund income and credited to the Securities Reserve Fund
35 by the Treasurer of State.

36 (3)(A) All purchases and sales of securities by the Treasurer of

1 State shall be made through securities brokers:

2 (i) Specifically approved by the State Board of
3 Finance; or

4 (ii) Meeting criteria established by the State Board
5 of Finance.

6 (B) All purchases and sales of securities by the Treasurer
7 of State shall be made using a competitive procedure that:

8 (i) Is approved by the State Board of Finance; and

9 (ii) Has the goals of:

10 (a) Obtaining the optimal price and value for
11 the securities; and

12 (b) Not showing preference toward any
13 securities broker.

14 (C)(i) However, the State Board of Finance may subscribe
15 for obligations offered by the United States Department of the Treasury.

16 (ii) An obligation offered by the United States
17 Department of the Treasury held in the State Treasury may be exchanged for
18 another obligation offered by the United States Department of the Treasury if
19 an exchange privilege has been extended by the United States Department of
20 the Treasury.

21 (4)(A) All or any part of the bonds of local industrial
22 development corporations, authorized and issued under the Arkansas Industrial
23 Development Act, § 15-4-101 et seq., and all or any part of the bonds of
24 municipalities and counties, authorized and issued under the Municipalities
25 and Counties Industrial Development Revenue Bond Law, § 14-164-201 et seq.,
26 at any time held in the Securities Account in the State Treasury, may be sold
27 at public sale or at private sale as the State Board of Finance shall
28 determine.

29 (B) However, in a private sale, the sales price of the
30 bonds or obligations shall not be less than the amount paid for the bonds or
31 obligations.

32 (5) The State Board of Finance shall provide ministerial
33 authority to the Treasurer of State to take whatever action becomes necessary
34 in regard to securities held in the Securities Account to provide the
35 requisite amount of cash necessary in demand deposit accounts to carry out
36 the business of the state or to correct any miscalculations that have arisen.

1 (6)(A) A purchase, exchange, or receipt of an obligation by the
2 State Treasury shall not cancel the obligation purchased, exchanged, or
3 received.

4 (B) The obligation shall be held in trust for the use and
5 benefit of the state fund used to purchase the obligation, subject only to
6 the right of the State Board of Finance to sell or exchange the obligation if
7 the best interest of the state is served.

8 (7)(A) The State Board of Finance shall meet at fiscal quarters
9 to evaluate, discuss, and review the advice of the Chief Fiscal Officer of
10 the State under § 19-3-312 and authorize the deposit and investment of State
11 Treasury funds to be made during the period before the next meeting of the
12 State Board of Finance.

13 (B) The deposit and investment of funds and the purchase
14 and sale of permissible securities may be made at any time it is advantageous
15 to the State Treasury by the Treasurer of State under the guidelines in the
16 State Treasury investment policy established by the State Board of Finance.

17 (8)(A) In order to increase investment income with minimal risk,
18 the Treasurer of State may loan securities held in the Securities Account if,
19 at the time the loan is executed, at least one hundred two percent (102%) of
20 the full market value of the security loaned is collateralized by cash or
21 securities guaranteed by the United States Government or an agency of the
22 United States Government.

23 (B) At all times during the term of the loan, the
24 collateral shall equal or exceed one hundred percent (100%) of the full
25 market value of all securities on loan.

26 (C) For purposes of this subdivision (b)(8), the full
27 market value of the collateral shall be determined on a daily basis.

28 (c)(1) The State Board of Finance may invest federal funds, as
29 described in § 19-7-701 et seq., the same as state funds that are authorized
30 by subsection (b) of this section.

31 (2) The proceeds of investing federal funds shall be used for
32 the same purpose authorized for other moneys accruing to the benefit of the
33 Securities Reserve Fund under § 19-3-321.

34 (d)(1) The State Board of Finance may invest funds deposited into the
35 State Treasury by state agencies, boards, and commissions that were
36 previously held as cash funds in a bank depository or investment depository

1 to enhance investment opportunities and earnings.

2 (2) The State Board of Finance may invest interest-bearing funds
3 the same as state funds under subsection (b) of this section.

4 (3) The interest earned on investments under this subsection
5 shall be credited under subdivision (d)(4) of this section to the interest-
6 bearing fund.

7 (4) The State Board of Finance shall establish the method of
8 computing the participants' rate of return and earning to determine the
9 distribution to each participant.

10 (5) On the second business day that the State Treasury is open
11 after the twenty-fifth day of the month, the Treasurer of State shall
12 transfer to the participants of the fund interest earned on all State
13 Treasury funds invested as authorized under this section during the preceding
14 month less the proportionate share of any assessments for the expenses of
15 administration.

16

17 19-3-319. State Treasury Certificate of Deposit Investment Program –
18 Definitions.

19 (a) The policy of the State Board of Finance to set aside an amount to
20 be invested in certificates of deposit that mature no sooner than one hundred
21 eighty (180) days shall be known as the “State Treasury Certificate of
22 Deposit Investment Program”.

23 (b) The following institutions may participate in the program:

24 (1) National banks that have their principal offices in Arkansas
25 or are legally operating branches in Arkansas;

26 (2) Banks chartered in the State of Arkansas;

27 (3) Banks chartered by other states that are legally operating
28 branches in Arkansas;

29 (4) Savings and loan associations or savings banks chartered by
30 the United States that have their principal offices in Arkansas or are
31 legally operating branches in Arkansas; and

32 (5) Savings and loan associations chartered by the State of
33 Arkansas.

34 (c)(1) Institutions that have their principal offices in Arkansas
35 shall designate a representative at the principal office responsible for
36 transacting business with the Treasurer of State.

1 (2) Institutions that do not have their principal offices in
2 Arkansas shall designate a principal branch and a representative at the
3 principal branch responsible for transacting business with the Treasurer of
4 State.

5 (d)(1) Semiannually, or as required by the board, each participating
6 institution shall compute and report to the Treasurer of State its Arkansas
7 deposits, Arkansas loans, the loan-to-deposit ratio for Arkansas loans and
8 Arkansas deposits, and its capital base.

9 (2) Each participating institution shall report to the board
10 information required by the board to determine the institution's suitability
11 as a bank depository.

12 (e) As used in this section:

13 (1) "Arkansas deposits" means deposits received by banks and
14 credited to accounts whose account holders have Arkansas as their principal
15 place of business or permanent home addresses; and

16 (2) "Arkansas loans" means the sum of:

17 (A) Loans made to individual borrowers residing in the
18 State of Arkansas;

19 (B) Loans made to corporations or other legal entities
20 doing business in Arkansas for which an address within Arkansas is used for
21 transacting business;

22 (C) Bonds issued or loans made to the State of Arkansas or
23 its instrumentalities;

24 (D) Bonds issued or loans made to political subdivisions
25 of the State of Arkansas; and

26 (E) Bonds issued by Arkansas corporations.

27 (f) The board shall promulgate rules establishing the minimum capital
28 requirements for a bank depository.

29 (g) The Treasurer of State shall establish procedures to be reviewed
30 and approved by the board establishing guidelines for the deposit and
31 allocation of certificates of deposit among participating institutions.

32 (h)(1) Interest on funds invested under this section shall be paid by
33 participating institutions at rates established by the board.

34 (2) The rates shall not exceed the maximum rate, if any, that
35 banks are permitted to pay on time certificates of deposit for the same
36 period of time by regulations of the Federal Reserve System or the Federal

1 Deposit Insurance Corporation.

2 (i)(1) Moneys required for a purchase under this section shall be
3 withdrawn from the Cash Account and paid to the issuer of the certificate of
4 deposit.

5 (2) The principal amount of the certificate of deposit shall be
6 credited to the Certificate of Deposit Account.

7 (j) The certificates of deposit shall be secured as required by the
8 board.

9

10 19-3-320. Minimum balance to be maintained.

11 Since it is the intent of the General Assembly that the State Treasury
12 have sufficient cash available at all times to redeem all state warrants
13 presented for payment, the State Board of Finance shall immediately sell
14 securities in the manner prescribed in § 19-3-318(b) when the cash balance
15 maintained on demand deposit in bank depositories falls below the amount
16 necessary to meet operating requirements, excluding trust funds.

17

18 19-3-321. Securities Reserve Fund.

19 (a)(1) In addition to the purposes for which the Securities Reserve
20 Fund may be used under this subchapter, the Securities Reserve Fund shall be
21 used to absorb any losses in:

22 (A) Securities held in the Securities Account in the State
23 Treasury; and

24 (B) The Treasurer of State's account in bank depositories.

25 (2)(A) The balance in the Securities Reserve Fund shall always
26 be available to absorb the losses stated in subdivision (a)(1) of this
27 section.

28 (B) However, moneys in the Securities Reserve Fund in
29 excess of one hundred thousand dollars (\$100,000) shall be available at all
30 times to the Chief Fiscal Officer of the State as authorized by § 19-26-203,
31 there to be used as provided by law.

32 (b)(1) If a loss is sustained in relation to securities held at any
33 time in the Securities Account or in the Treasurer of State's account in any
34 bank depository and the credit balance in the Securities Reserve Fund is
35 insufficient to absorb the loss, the Chief Fiscal Officer of the State shall
36 transfer moneys from the Budget Stabilization Trust Fund to the Securities

1 Reserve Fund of an amount that, when added to the credit balance in the
2 Securities Reserve Fund, equals the amount of the loss.

3 (2) It is the intent of the General Assembly that a loss shall
4 not be sustained by an account used to make an investment or deposit.

5 (c)(1) On a quarterly basis, interest earned on federal funds received
6 under the State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et
7 seq., shall be transferred at the direction of the Chief Fiscal Officer of
8 the State from the Securities Reserve Fund to the federal funds established
9 for the purpose of holding these moneys in trust.

10 (2) Interest to be transferred shall be a pro rata share of
11 total earned interest based on the proportion of the balances of the total
12 federal funds established for the purpose of holding the State and Local
13 Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., moneys in trust to
14 the balances of all investments of the State Treasury.

15

16 19-3-322. Servicing state debt – Definition.

17 (a) Unless otherwise specifically provided by law, the Secretary of
18 the State Board of Finance shall be disbursing officer of appropriations made
19 for meeting the debt service requirements of the direct general obligation
20 bonds of this state at any time outstanding.

21 (b) As used in this section, “debt service requirements” means the
22 maturing principal of, interest on, and paying agents’ fees in connection
23 with the payment of the bonds.

24 (c) The secretary, without fail, shall cause notice of the call to be
25 published not less than thirty (30) days before the first date upon which
26 such bonds may be called, with publication to be by one (1) insertion in a
27 newspaper published in each of the cities of Little Rock, Arkansas; St.
28 Louis, Missouri; and in a financial newspaper published in the Borough of
29 Manhattan, City of New York, State of New York.

30

31 19-3-323. Purchase of bonds by Treasurer of State.

32 (a) The Treasurer of State may purchase bonds from the State of Israel
33 that are guaranteed and backed by the full faith and credit of the government
34 of Israel as the sovereign debt of the State of Israel.

35 (b) The moneys that the Treasurer of State may use in the purchase of
36 any bonds from the State of Israel shall be those funds available for

1 investment under this subchapter.

2

3 Subchapter 4 – State Treasury Money Management Trust Act

4

5 19-3-401. Title.

6 This subchapter shall be known and may be cited as the “State Treasury
7 Money Management Trust Act”.

8

9 19-3-402. Purpose.

10 The purpose of this subchapter is to create the State Treasury Money
11 Management Trust administered by the Treasurer of State for the deposit of
12 moneys in order to permit the joint investment of participants’ money so as
13 to enhance investment opportunities and earnings.

14

15 19-3-403. Authorized deposits.

16 An entity listed below may deposit money to the State Treasury Money
17 Management Trust for the purpose of investment:

18 (1) State agency’s cash funds as defined in § 19-4-801;

19 (2) Local governments:

20 (A) Any city, county, school district, or community
21 college district of this state; and

22 (B) Any department, instrumentality, or agency of these
23 entities;

24 (3) The Treasurer of State may invest in the State Treasury
25 Money Management Trust to the extent State Treasury funds are not being
26 utilized for certificates of deposit under the State Treasury Certificate of
27 Deposit Investment Program or for trust certificates of deposit pursuant to
28 the State Treasury Management Law, § 19-3-301 et seq.; and

29 (4) The Auditor of State may invest funds subject to the
30 unclaimed property provisions of the Unclaimed Property Act, § 18-28-201 et
31 seq., in the State Treasury Money Management Trust.

32

33 19-3-404. State Treasury Monty Management Trust provisions.

34 (a) The investment policy and all other policies, documents, rules,
35 and procedures established or approved by the State Board of Finance under §
36 19-3-501 et seq. apply to the administration of this subchapter by the

1 Treasurer of State.

2 (b) The Treasurer of State may invest or deposit funds in the State
3 Treasury Money Management Trust as authorized in § 19-3-318.

4 (c)(1) Moneys deposited into the State Treasury Money Management Trust
5 by participants other than the State Treasury are not and shall not become
6 part of State Treasury funds.

7 (2) The State Treasury Money Management Trust shall operate as a
8 segregated account for custodial, depository, and accounting purposes.

9 (3)(A) A participant may deposit at will into and, up to the
10 balance of the participant's account, obtain moneys upon demand from the
11 State Treasury Money Management Trust.

12 (B) A demand for funds by a participant under this
13 subdivision (c)(3) shall be made by notice as prescribed by the board.

14 (d) Each participant who elects to deposit money into the State
15 Treasury Money Management Trust shall provide the account information
16 required by the board, including without limitation the identity of any
17 person authorized to conduct transactions on behalf of the participant.

18 (e) Any loss of principal or interest realized as the result of a
19 participant's demand for withdrawal of funds shall be incurred by the
20 participant requesting the withdrawal and deducted on the day the withdrawal
21 is made.

22 (f)(1) The Treasurer of State may:

23 (A) Assess reasonable charges against the account of a
24 participant in the State Treasury Money Management Trust for reimbursement of
25 administration and operational expenses; and

26 (B) Charge a reasonable fee for managing the State
27 Treasury Money Management Trust.

28 (2) The board shall set any charge or fee imposed under this
29 subsection.

30 (3) Charges and fees received under this subsection shall be
31 deposited into the State Treasury in a fund for the benefit of the Treasurer
32 of State.

33 (g) All interest and earnings received on the money of the State
34 Treasury Money Management Trust shall be credited to the State Treasury Money
35 Management Trust for distribution to the participants of the State Treasury
36 Money Management Trust after any charges or fees due under subsection (f) of

1 this section are deducted.

2 (h) After deducting any charges or fees due under subsection (f) of
3 this section, on the second business day that the State Treasury is open
4 after the twenty-fifth day of the month, the Treasurer of State shall
5 distribute the monthly earnings of the State Treasury Money Management Trust
6 during the preceding month.

7 (i) The board shall establish the method of computing a participant's
8 rate of return, earnings, charges, fees, and expenses to determine the
9 distribution for each participant.

10 (j) The monthly sum of a participant's daily earnings, after deducting
11 administrative charges and fees under subsection (f) of this section, shall
12 be credited to the participant's account and reinvested, unless otherwise
13 instructed by the participant, on the distribution date stated in subsection
14 (h) of this section.

15

16 19-3-405. Prudent investor rule.

17 (a) The Treasurer of State shall apply the prudent investor rule while
18 serving in a fiduciary capacity for State Treasury Money Management Trust
19 participants.

20 (b) The prudent investor rule means that in making investments, the
21 fiduciaries shall exercise the judgment and care under the prevailing
22 circumstances that an institutional investor of ordinary prudence,
23 discretion, and intelligence exercises in the management of large investments
24 entrusted to it, not for speculation but for investment, considering the
25 permanent disposition of funds, and the probable safety of capital as well as
26 probable income.

27

28 19-3-406. Loan of securities.

29 (a) In order to increase investment income with minimal risk, the
30 Treasurer of State may loan securities held under this subchapter, but only
31 if at the time the loan is executed at least one hundred two percent (102%)
32 of the full market value of the security loaned is collateralized by cash or
33 securities guaranteed by the United States Government or an agency of the
34 United States Government.

35 (b) At all times during the term of the loan, the collateral shall be
36 equal to not less than ninety-eight percent (98%) of the full market value

1 calculated on the total value of all securities on loan.

2 (c) For purposes of this section, the value of the collateral shall be
3 determined on a daily basis.

4

5 Subchapter 5 – State Board of Finance

6

7 19-3-501. State Board of Finance – Creation – Members.

8 (a) The State Board of Finance is created.

9 (b) The board shall be composed of the following members:

10 (1) The Governor;

11 (2) The Treasurer of State;

12 (3) The Auditor of State;

13 (4) The Bank Commissioner;

14 (5) The Secretary of the Department of Finance and

15 Administration;

16 (6) The Securities Commissioner;

17 (7) One (1) person with knowledge and experience in commercial
18 banking;

19 (8) One (1) person who:

20 (A) Holds or has held a Series 7 licensure as a general
21 securities representative; and

22 (B) Has at least five (5) years of experience as a general
23 securities representative;

24 (9) One (1) certified public accountant who:

25 (A) Is licensed in Arkansas; and

26 (B) Has at least five (5) years of experience as a

27 certified public accountant;

28 (10) One (1) member of the general public; and

29 (11)(A) The Insurance Commissioner.

30 (B) The Insurance Commissioner shall be a voting member
31 only for the purpose of voting on health benefit plans.

32 (c) A board member listed in subdivisions (b)(7)-(10) of this section:

33 (1) Shall serve a four-year term and may be reappointed, except
34 that the board member shall serve an initial term of either one (1) year, two
35 (2) years, three (3) years, or four (4) years as determined by lot in order
36 to establish staggered terms in which the term of one (1) of the four (4)

1 board members expires each year;

2 (2) Shall be paid a stipend of one hundred dollars (\$100) from
3 funds appropriated to the Treasurer of State for participation in each board
4 meeting;

5 (3) Shall not have a direct financial interest in a transaction
6 between an investment depository or bank depository and the:

7 (A) Board; or

8 (B) Treasurer of State;

9 (4) Shall not be related within the second degree of
10 consanguinity or affinity to a constitutional officer or a member of the
11 General Assembly;

12 (5) Shall abstain from voting on an issue that affects the board
13 member or the procedures, profits, or funding of a business or organization
14 of which the board member is a member; and

15 (6) May be removed for cause by a majority vote of the board.

16 (d)(1) A member listed in subdivisions (b)(7) and (8) of this section
17 shall be appointed and may be reappointed by the President Pro Tempore of the
18 Senate.

19 (2) A member listed in subdivisions (b)(9) and (10) of this
20 section shall be appointed and may be reappointed by the Speaker of the House
21 of Representatives.

22 (e) The Governor shall be Chair of the State Board of Finance, and the
23 Treasurer of State shall be the secretary, executive officer, and disbursing
24 agent of the board.

25

26 19-3-502. Definitions.

27 As used in this subchapter:

28 (1) "Bank depository", "investment depository", "securities
29 broker", and "State Treasury" have the meanings provided in § 19-3-302; and

30 (2)(A) "Direct financial interest" means the direct compensation
31 or other remuneration to a person or a family member of a person that is
32 attributable to an investment or a deposit of money or securities from the
33 State Treasury.

34 (B) "Direct financial interest" does not include
35 compensation from the investment or deposit of a person's own money or
36 securities.

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19-3-503. Meetings – Quorum – Staff.

(a)(1) Meetings of the State Board of Finance shall be held:

(A) At least quarterly:

(i) Upon the call of the Governor or by any three (3) or more members; and

(ii) Upon advance notice to each member; and

(B) At a place that is convenient for the board.

(2) The meetings shall be conducted in accordance with the Freedom of Information Act of 1967, § 25-19-101 et seq., and complete records of the proceedings shall be kept.

(b)(1) Seven (7) members shall constitute a quorum for the transaction of business.

(2) The affirmative vote of a majority of members present is required to adopt a motion or resolution.

(c) The staff of an elected or appointed official of the board may provide any assistance requested by the board.

19-3-504. Powers and duties.

(a) In addition to any other function, power, or duty imposed by law, the State Board of Finance shall establish, maintain, and enforce all policies and procedures concerning the management and investment of funds in the State Treasury and the State Treasury Money Management Trust, including without limitation:

(1) Record keeping and reporting requirements that reflect:

(A) Daily, monthly, and year-to-date balances of all funds, accounts, and groups of accounts within the State Treasury; and

(B) The performance of all deposits and investments compared to the target rate of return established by the board;

(2) A collateralization policy;

(3) Eligibility requirements for a bank depository, an investment depository, a securities broker, and, before accepting an application to hire an investment consultant under subsection (c) of this section, an investment consultant;

(4) An investment policy;

(5) Liquidity requirements for the State Treasury; and

1 (6) Qualifications, ethical standards, a conflict of interest
2 policy, and criminal background check requirements that are no less stringent
3 than the requirements of § 19-3-505 for all employees of the board or
4 Treasurer of State who handle State Treasury funds or participate in
5 decisions concerning the deposit or investment of State Treasury funds.

6 (b)(1) The board shall select the chief compliance officer within the
7 Treasurer of State's office based upon nominations received from the
8 Treasurer of State.

9 (2) The chief compliance officer shall:

10 (A) Be employed by the board;

11 (B) Work with and at the direction of the Treasurer of
12 State consistent with the policies and directives of the board; and

13 (C) Serve at the pleasure of the board.

14 (c) The board may hire an investment consultant to examine the
15 investment policies and investment practices for the State Treasury and make
16 recommendations to the board, including without limitation recommendations
17 concerning:

18 (1) An appropriate range for asset allocation;

19 (2) A target rate of return;

20 (3) The propriety of using money managers and, if desired,
21 recommendations concerning money managers; and

22 (4) Adjustments to improve investment policies, investment
23 allocations, or investment returns.

24 (d) The positions listed in subsections (b) and (c) of this section
25 shall be funded by the appropriation for the Treasurer of State.

26 (e) The board may make, amend, adopt, and enforce rules and policies
27 to regulate board procedure and execute board functions.

28 (f) The board shall supervise and administer the State and Public
29 School Life and Health Insurance Program and carry out the duties set out
30 under §§ 25-1-404 and 25-1-405.

31
32 19-3-505. Employees – Qualifications, ethical standards, and
33 background checks.

34 (a) An employee of the State Board of Finance or Treasurer of State
35 listed in § 19-3-504(b) or § 19-3-504(c) or who handles State Treasury funds
36 or participates in decisions or making recommendations concerning the deposit

1 or investment of State Treasury funds:

2 (1) Shall meet minimum standards of expertise and experience
3 established by the board;

4 (2) Shall not have a direct financial interest in a bank
5 depository, investment depository, or securities broker; and

6 (3) Shall file on or before January 31 with the board for the
7 preceding calendar year the written statement of financial interest required
8 by § 21-8-701(d).

9 (b)(1)(A) The board shall obtain a state and federal criminal
10 background check to be conducted by the Identification Bureau of the
11 Department of Arkansas State Police and the Federal Bureau of Investigation
12 for:

13 (i) Each employee listed in § 19-3-504(b) or § 19-
14 3-504(c); and

15 (ii) An employee or prospective employee of the
16 board or Treasurer of State who handles or will handle State Treasury funds
17 or participates or will participate in making decisions or recommendations
18 concerning the deposit or investment of State Treasury funds.

19 (B) The background check shall be obtained on or before:

20 (i) September 1, 2013, for an existing employee; and

21 (ii) The start of employment for a prospective
22 employee.

23 (2) The state and federal criminal background check shall
24 conform to the applicable federal standards and shall include the taking of
25 fingerprints.

26 (3) The employee or prospective employee shall sign a consent to
27 the release of information for the state and federal criminal background
28 check.

29 (4) The Treasurer of State shall be responsible for the payment
30 of any fee associated with the state and federal criminal background check.

31 (5) Upon completion of the state and federal criminal background
32 check, the Identification Bureau of the Department of Arkansas State Police
33 shall forward to the Chief Fiscal Officer of the State for review by the
34 board all releasable information obtained concerning the employee or
35 prospective employee.

36 (c) The board or Treasurer of State shall not employ an individual who

1 has:

- 2 (1) Been convicted of a felony or a gambling offense in a state
3 or federal court of the United States;
4 (2) Been convicted of a crime involving moral turpitude;
5 (3) Entered into a plea agreement to avoid felony prosecution;
6 (4) Been or is currently subject to an administrative order by
7 the State Bank Department or State Securities Department;
8 (5) Failed without justification to file the statement of
9 financial interest required by this section; or
10 (6) A conflict of interest that violates the board's policy
11 established under § 19-3-504.

12
13 CHAPTER 4

14 GENERAL ACCOUNTING AND BUDGETARY PROCEDURES LAW
15

- 16 Subchapter 1. General Provisions
17 Subchapter 2. Duties and Responsibilities Generally
18 Subchapter 3. Chief Fiscal Officer of the State
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21 Subchapter 6. Annual Operations Plans of State Agencies
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26 Subchapter 11. Approval of Expenditures
27 Subchapter 12. Disbursement of Public Funds
28 Subchapter 13. Monitoring for Deficit Spending
29 Subchapter 14. Construction of Buildings and Facilities
30 Subchapter 15. Property and Equipment Inventory
31 Subchapter 16. Salaries and Payroll Disbursement
32 Subchapter 17. Reimbursements, Collections, and Refunds
33 Subchapter 18. Federal Grants and Aids
34 Subchapter 19. Losses and Recoveries
35 Subchapter 20. State-Funded Expenses of Constitutional Officers
36 Subchapter 21. Review of Discretionary Grants

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Subchapter 1 – General Provisions

19-4-101. Title.

This chapter shall be known and may be cited as the “General Accounting and Budgetary Procedures Law”.

19-4-102. Purpose.

(a)(1) It is the policy of the State of Arkansas to:

(A) Maintain on a sound financial basis the state and all of its agencies, boards, commissions, departments, and institutions, all referred to in this chapter as “agencies” unless otherwise necessary;

(B) Provide adequate accounting for all fiscal transactions; and

(C) Provide for uniformity in budget preparation, presentation, and execution.

(2) For these purposes, the general provisions of this chapter are intended to:

(A) Establish uniformity in operating and capital budget preparation, presentation, and execution by establishing certain duties, responsibilities, and functions of the executive and legislative branches of the state government;

(B) Prohibit deficit spending by establishing standards for the execution of budgets approved by the General Assembly;

(C) Provide methods of internal accounting control by establishing and supervising the accounting systems of state agencies;

(D) Establish an adequate classification and coding system for all revenue receipts and disbursements;

(E) Establish methods of voucher examination and approval for expenditures of funds deposited into the State Treasury and, if necessary, other depositories;

(F) Establish uniform procedures for the preparation of disbursing documents;

(G) Establish procedures for forecasting economic conditions, establish an adequate technique of revenue estimating, and provide for tax research and a method for standardization of statistics;

1 (H) Develop methods for improvement and economy in
2 organization and administration of agencies;

3 (I) Authorize the promulgation of reasonable rules not
4 inconsistent with applicable laws to achieve the purposes and intent of this
5 chapter; and

6 (J) Further define the powers and duties of the Secretary
7 of the Department of Finance and Administration, sometimes referred to as the
8 "Chief Fiscal Officer of the State", the Auditor of State, and the Treasurer
9 of State in connection with general accounting, budgetary, and fiscal
10 procedures.

11 (b)(1) It is also the purpose of this chapter to establish a
12 comprehensive system of state budgeting and financial management that will
13 further the capacity of the General Assembly to plan and finance the services
14 which it determines the state should provide for its citizens and which will
15 further the capacity of the Governor to make budgetary recommendations to the
16 General Assembly and to execute the laws of this state.

17 (2) The comprehensive system of state budgeting and financial
18 management shall include procedures for:

19 (A) The orderly establishment, continuing review, and
20 periodic revision of programs, financial goals, and policies of the state;

21 (B) The development, coordination, and review of long-
22 range programs and their financing that will implement goals and policies
23 authorized by the General Assembly and the Governor;

24 (C) The preparation, analysis, presentation, enactment,
25 and execution of budgets that authorize specific programs, policies, and
26 goals and that focus attention on state services and their costs;

27 (D) The evaluation of alternatives to existing programs,
28 policies, and goals that would provide more economic, efficient, or effective
29 state services; and

30 (E) An evaluation and reporting system which will provide
31 measurements of the effectiveness of program performance.

32
33 19-4-103. Penalty.

34 With respect to all matters for which penalties have not otherwise been
35 provided in this act, a person who knowingly violates any of the provisions
36 of this act is guilty of a violation and upon conviction shall be fined in

1 any amount not to exceed one thousand dollars (\$1,000).

2
3 19-4-104. Rules.

4 (a) The Chief Fiscal Officer of the State may make, amend, and enforce
5 reasonable rules not inconsistent with law that he or she deems necessary and
6 proper to effectively carry out this chapter and the public policy as set
7 forth in § 19-4-102.

8 (b) Rules promulgated by the Chief Fiscal Officer of the State under
9 this section shall be published in an administrative procedures manual and
10 distributed to the various state agencies.

11
12 19-4-105. Legislative staff consultation.

13 (a) The Department of Finance and Administration shall consult with
14 the Legislative Auditor and the Assistant Director of the Fiscal Division of
15 the Bureau of Legislative Research throughout each stage of planning and
16 implementation for any new statewide accounting system.

17 (b) The consultation and involvement required under this section is to
18 ensure that those capabilities to provide the required services to members
19 and committees of the General Assembly are incorporated into the new
20 statewide accounting system.

21
22 Subchapter 2 – Duties and Responsibilities Generally

23
24 19-4-201. Authority of Governor.

25 (a) The Governor shall direct the execution of the state budget as
26 approved by the General Assembly.

27 (b) The Governor or the Governor-elect shall:

28 (1) Review the budget requests and estimates of resources;

29 (2) Evaluate long-range programs and consider possible
30 alternatives to existing state agency programs, policies, and goals; and

31 (3) Formulate and recommend for consideration by the Legislative
32 Council and the General Assembly a proposed comprehensive state budget of
33 programs and proposed financing that shall include all estimated receipts and
34 expenditures of the state government.

35 (c)(1) Proposed expenditures shall not exceed estimated available
36 resources.

1 (2) Should the Governor or the Governor-elect propose increased
2 taxes in order to finance all proposed programs, two (2) sets of budgets
3 shall be submitted to the Legislative Council and the General Assembly, one
4 (1) set based on the resources available from the then-existing tax laws and
5 another showing the additional expenditures proposed to be financed from
6 recommended tax increases.

7 (3)(A) Budget requests for administration and operation of the
8 legislative branch, the judicial branch, the elective constitutional offices,
9 the Arkansas Department of Transportation, the Office of the Arkansas
10 Lottery, and the Arkansas State Game and Fish Commission shall be submitted
11 directly to the Legislative Council without any recommendation by the
12 Governor.

13 (B) Each budget request submitted under subdivision
14 (c)(3)(A) of this section shall:

15 (i) Include all of the information required for
16 other public entities under this chapter;

17 (ii) Be in substantially the same format as budget
18 requests for other public entities under this chapter; and

19 (iii) Include a detailed listing of any
20 unappropriated funds, including without limitation the sources of the funds,
21 the fund balances, and the expenditures of the funds for the previous fiscal
22 year.

23 (d) To carry out this section, the Governor or the Governor-elect
24 shall:

25 (1) Provide for hearings, if required, with the administrative
26 head or any other persons having knowledge thereof, of an agency submitting a
27 budget request in order for the Governor or the Governor-elect to make his or
28 her determinations and recommendations; and

29 (2) Appear or appoint a designated representative to appear
30 before the General Assembly or any committees or interim committees of the
31 General Assembly to present the Governor's or the Governor-elect's
32 recommendations for the forthcoming budgetary period.

33
34 19-4-202. Authority of Legislative Council.

35 (a)(1) At any time they deem it advisable, the cochairs of the
36 Legislative Council may call into meeting the membership of the Legislative

1 Council for consideration of budget matters.

2 (2) For preliminary budget studies, the Legislative Council may
3 call before it the Chief Fiscal Officer of the State, the Director of the
4 Bureau of Legislative Research, the Legislative Auditor, and a constitutional
5 officer or administrative head of a state agency for the purpose of making
6 available to the Legislative Council information the Legislative Council
7 deems advisable.

8 (3) The Legislative Council shall have the power to visit and
9 inspect any agency for the purpose of obtaining first-hand information as to
10 the condition and needs of the agency and may appoint committees from its
11 membership for the purpose of reporting upon these findings.

12 (b)(1) Not later than sixty (60) days before the convening of the
13 General Assembly, the Legislative Council shall require from the Chief Fiscal
14 Officer of the State the budget estimates and recommendations prepared by the
15 Chief Fiscal Officer of the State.

16 (2) From time to time when called upon by the Legislative
17 Council, the Chief Fiscal Officer of the State or his or her representative
18 shall appear before the Legislative Council or attend meetings of the
19 Legislative Council when required to do so for the purpose of preparing or
20 submitting additional information on budget matters.

21 (c)(1) The Chief Fiscal Officer of the State and an administrative
22 head of an agency, when requested to do so, shall lend any reasonable aid,
23 assistance, or personnel and supply any reports or information when required
24 to the Governor-elect for the purpose of assisting him or her in the
25 preparation of his or her budget recommendations to be submitted to the
26 Legislative Council.

27 (2) The Legislative Council shall call upon the Governor-elect
28 or any newly elected constitutional officer, or their designated
29 representatives, for the purpose of submitting any final recommendations or
30 modifications of the proposed budget requests.

31 (d)(1) The Legislative Council, acting upon the facts submitted to it
32 and from such other studies and hearings as the Legislative Council shall
33 deem advisable, shall proceed to modify, revise, approve, or disallow the
34 budget requests.

35 (2) The Legislative Council shall make its recommendations with
36 respect to the approved items of the budget and publish them in a report to

1 be made available to every member of the General Assembly when it convenes in
2 regular session.

3 (3) In recommending the proposed state budget to the General
4 Assembly, the Legislative Council may recommend the form of the appropriation
5 bills to be submitted and may draw or cause to be drawn the bills conforming
6 to these recommendations for presentation to the General Assembly.

7

8 19-4-203. Authority of General Assembly.

9 The General Assembly and the Joint Budget Committee shall:

10 (1) Consider the current programs and financial plan included in
11 the budget requests and the proposed resources for financing recommended by
12 the Governor or the Governor-elect, including proposed goals and policies,
13 recommended budgets, revenue proposals, and long-range programs;

14 (2) Adopt or recommend programs and alternatives to the
15 financial plan recommended by the Governor or the Governor-elect as the
16 General Assembly deems appropriate;

17 (3) Adopt or recommend legislation to authorize implementation
18 of a comprehensive program and financial plan;

19 (4) Provide for a postaudit of financial transactions, program
20 performance, and execution of legislative policy decisions;

21 (5) Provide for hearings, if required, with the administrative
22 head or any other persons having knowledge thereof of a state agency
23 submitting a budget request, in order to make determinations and formulate
24 recommendations;

25 (6) If found necessary, visit and inspect an agency; and

26 (7) Propose the form of appropriation bills and write or direct
27 the writing of appropriation bills.

28

29 19-4-204. Recommendations by Governor.

30 (a)(1) The Governor or the Governor-elect shall formulate the programs
31 and financial plans to be recommended to the Legislative Council and the
32 General Assembly after considering the state agency-proposed programs and
33 financial plans and other programs and alternatives the Governor or the
34 Governor-elect deems appropriate.

35 (2) The program and financial plan submitted by the Governor or
36 the Governor-elect shall include:

- 1 (A) His or her goals and policies;
- 2 (B) Recommended plans to implement the goals and policies;
- 3 (C) Recommended budgets for each year for which an
- 4 appropriation is being requested; and
- 5 (D) Recommended revenue measures to finance the budget.
- 6 (b) The Governor or the Governor-elect shall present the proposed
- 7 comprehensive program and financial plan:
- 8 (1) To the Legislative Council for the timely consideration of
- 9 the Legislative Council; and
- 10 (2)(A) In a message to a joint session of the General Assembly.
- 11 (B)(i) The message shall be accompanied by an explanatory
- 12 report that summarizes recommended goals, policies, plans, and
- 13 appropriations.
- 14 (ii) The explanatory report shall be furnished to
- 15 each member of the General Assembly and each agency. The report shall contain
- 16 the following information:
- 17 (a) The coordinated programs, goals, and
- 18 objectives that the Governor or Governor-elect recommends to guide the
- 19 decisions on program plans and budget appropriations;
- 20 (b) The program and budget recommendations of
- 21 the Governor or Governor-elect for each year of the succeeding biennium;
- 22 (c) A summary of state receipts in the
- 23 previous fiscal year, an estimate for the current fiscal year, and an
- 24 estimate for each year of the succeeding biennium;
- 25 (d) A summary of expenditures during the last fiscal
- 26 year, those estimated for the current fiscal year, and those recommended by
- 27 the Governor or the Governor-elect for each year for which appropriations are
- 28 requested; and
- 29 (e) Any additional information that will facilitate
- 30 understanding by the General Assembly and the public of the proposed program
- 31 and financial plan of the Governor or the Governor-elect.
- 32

33 19-4-205. Legislative review.

34 The General Assembly, the Legislative Council, and the Joint Budget

35 Committee shall consider the by the General Assembly and the public of the

36 Governor or the Governor-elect and determine the comprehensive program and

1 financial plan to support the services to be provided the citizens of the
2 state, while keeping authorized expenditures within the estimated receipts
3 and other available resources.

4
5 19-4-206. Conservation of appropriations in changes of administration.

6 (a) In those instances in which a constitutional or elective official
7 of the State of Arkansas is due to retire from office and another
8 constitutional official is to take his or her place, the appropriations and
9 funds provided by the General Assembly for the operation of any such office
10 shall be conserved so as to provide his or her successor in office with a
11 proportionate amount of available appropriations and funds for the remainder
12 of the fiscal year during which the change of office takes place.

13 (b) For the purpose of carrying out this section, it is provided that:

14 (1)(A) A constitutional official shall not cause, or cause to be
15 incurred, an obligation or issue a voucher against the appropriations of his
16 or her agency in excess of a true proportion which his or her time of service
17 during the fiscal year of retirement bears to the fiscal year.

18 (B) For the purpose of establishing the time of service of
19 any such official, the time of retirement shall be construed to be that
20 established by the Arkansas Constitution and statutes of this state for the
21 retirement of the constitutional and elective officials of this state;

22 (2)(A) Within thirty (30) days after each general election, the
23 Auditor of State shall notify all retiring constitutional officials that they
24 will be required to file in the office of the Auditor of State a statement,
25 duly sworn to, setting out:

26 (i) The total of all vouchers issued against the
27 appropriations of the agency;

28 (ii) A list of all outstanding obligations; and

29 (iii) A detailed list of all proposed expenditures to
30 be made before the time of retirement.

31 (B) If the Auditor of State is retiring, the Chief Fiscal
32 Officer of the State shall notify the Auditor of State to file the statement
33 required of the Auditor of State under subdivision (b)(2)(A) of this section
34 with the office of the Chief Fiscal Officer of the State; and

35 (3)(A) The Auditor of State shall not issue a warrant in payment
36 of the voucher of an agency coming under the provisions of this section in

1 excess of the proportion provided for in this section. The Auditor of State
2 shall be liable under his or her official bond for issuing any such warrant
3 in excess of such a proportion.

4 (B) However, in cases of calamity or emergency, the
5 Governor may, by proclamation, authorize an agency to exceed the limitations
6 of this section. Under such conditions the Auditor of State and the
7 disbursing officer shall be relieved of any liability under this section if,
8 in making the proclamation, the Governor states the reasons for the emergency
9 and the probable amount of the excess obligations that the agency is
10 authorized to incur.

11 (c)(1) It is the purpose of this section to provide for the
12 conservation of appropriations for the normal operations of agencies.

13 (2) This section is not applicable to appropriations for
14 improvements or to special appropriations.

15
16 Subchapter 3 – Chief Fiscal Officer of the State

17
18 19-4-301. Duties and responsibilities generally.

19 The Chief Fiscal Officer of the State shall carry out the following
20 duties and responsibilities:

21 (1) Assist the Governor or the Governor-elect in the preparation
22 of the comprehensive program and financial plan, including the coordination
23 and analysis of state agency programs, goals, and objectives;

24 (2) Develop procedures to produce the information needed for
25 effective policy decision-making by the General Assembly and the Governor or
26 the Governor-elect;

27 (3) Assist agencies in developing their statement of goals and
28 objectives, their preparation of program plans and budget requests, and their
29 systems of evaluating and reporting of program performance;

30 (4) Provide the General Assembly or its interim committees with
31 any information they may request;

32 (5) Between sessions of the General Assembly, keep the
33 Legislative Council and any interim committees of the General Assembly that
34 request this information informed of the actual expenditures of agencies as
35 compared to their approved budgets and of the actual performance of these
36 agencies as compared to that predicted in the program budget requests, along

1 with the reasons for any deviations that exist; and

2 (6) Administer his or her responsibilities under the program
3 budget provisions of this chapter so that the policy decisions and budget
4 determinations of the General Assembly and the Governor are effectively
5 implemented.

6

7 19-4-302. Budget information forms.

8 To accomplish his or her duties and responsibilities, the Secretary of
9 the Department of Finance and Administration, in cooperation with the
10 Legislative Council, shall design budget information forms so that
11 comparative data of the last fiscal year, the current fiscal year, and the
12 next biennium are presented so that state agencies can best express budgetary
13 and program information that will be most useful to the Governor or the
14 Governor-elect and the General Assembly in order to facilitate program
15 formulation, execution, and accountability by:

16 (1) Focusing attention upon the general character and relative
17 importance of the program to be accomplished or upon the service to be
18 rendered and what the program or service will cost;

19 (2) Employing functional classifications, when practical to do
20 so, in order to present budgets by broad program categories;

21 (3) Presenting budget requests by organizational units;

22 (4) Grouping expenditures and budget estimates by major objects
23 of expenditures;

24 (5) Stating goals and objectives of agency programs;

25 (6) Presenting proposed plans to implement the goals and
26 objectives, including proposed modification of existing program services and
27 establishment of new program services, and the estimated resources required
28 to implement the goals and objectives;

29 (7) Including a report of the receipts during the prior fiscal
30 year, an estimate of the receipts during the current fiscal year, and an
31 estimate for each year of the succeeding biennium;

32 (8) Presenting requested legislation required to implement the
33 proposed programs and financial plans; and

34 (9) Supplying any other information necessary to carry out the
35 purposes of this chapter.

36

1 19-4-303. Budget estimates.

2 In cooperation with the Legislative Council, the Secretary of the
3 Department of Finance and Administration shall:

4 (1) Prepare a budget calendar or time schedule so that the
5 submission and presentation of budget estimates will be accomplished within
6 the desired time limits; and

7 (2) Prepare a budget instructional manual to establish
8 uniformity for presentation of budget estimates by state agencies.

9

10 19-4-304. Regular and fiscal session preparations.

11 (a) Immediately after July 1 of each even-numbered calendar year, or
12 earlier if determined necessary, the Secretary of the Department of Finance
13 and Administration shall:

14 (1) Issue budget information forms, budget estimating
15 instructions, and a budget calendar that has been approved by the Legislative
16 Council, plus a budget policy letter from the Governor containing some or all
17 of the following:

18 (A) Establishing maximum limitations on expenditures for
19 the year in which estimates are being requested;

20 (B) Setting out the policies that will determine the
21 Governor's priorities in the allocation of available resources;

22 (C) Outlining the effects of economic changes pertaining
23 to price levels, population changes, and pending federal legislation; and

24 (D) Containing a review of current fiscal conditions and a
25 prognostication of fiscal conditions for the future;

26 (2)(A) Visit and inspect the properties and facilities of any or
27 all state agencies and request the administrative head or any employee of the
28 agency to appear before the secretary to explain any matters concerning the
29 budgetary and program requirements of the agency.

30 (B) If an agency fails or refuses to furnish any
31 information with respect to budget estimates or program formulation, as and
32 when it shall be requested by the Chief Fiscal Officer of the State, then the
33 Chief Fiscal Officer of the State may prepare and submit his or her own
34 recommendations as to the budgetary or program requirements of the agency;

35 (3) Assist agencies in the preparation of their budget
36 proposals. This assistance may include:

- 1 (A) Technical assistance;
2 (B) Organization of materials;
3 (C) Centrally collected accounting, budgeting, personnel,
4 and purchasing information standards and guidelines;
5 (D) Population and other required data; and
6 (E) Any other assistance that will help the agencies
7 produce the information necessary for efficient agency management and
8 decision making by the General Assembly and the Governor or the Governor-
9 elect;

10 (4)(A) Analyze the budget estimates to evaluate and assess the
11 priority and accuracy of agency requests in relation to policy and program
12 objectives and the financial condition of the state and make recommendations
13 for modifications and revision of the budget request if, in their opinion,
14 the facts before them would justify such proposed revisions.

15 (B) The Chief Fiscal Officer of the State in making
16 recommended changes shall not alter the original request unless requested to
17 do so by the administrative head of the agency affected but shall report the
18 original request, together with his or her own recommendations and the
19 reasons for his or her recommendations, to the Governor, so that all agency
20 budget estimates may be made available to the Governor or the Governor-elect,
21 the Legislative Council, and the General Assembly for their consideration;

22 (5) Prepare an estimate of the general and special revenues for
23 the next fiscal year, along with comparative data for the then-current fiscal
24 year and past fiscal year; and

25 (6) Submit the budget studies, together with his or her
26 recommendations, to the Legislative Council and to the Governor or the
27 Governor-elect for such further recommendations as the Governor or the
28 Governor-elect may care to make.

29 (b) The secretary shall submit the annual revenue forecast to the
30 Legislative Council:

31 (1) By December 1 of the year preceding a fiscal session that is
32 held in a year in which the preferential primary election will be held in May
33 under § 7-7-203;

34 (2) By February 1 of a year preceding a fiscal session that is
35 held in a year in which the preferential primary election is held in March
36 under § 7-7-203; and

1 (3) No later than sixty (60) days before the start of a regular
2 session.

3
4 19-4-305. Preliminary budget report.

5 The Chief Fiscal Officer of the State shall prepare the described
6 preliminary budget report so that it shall include the following:

7 (1) The budget requests as submitted by the legislative branch,
8 the judicial branch, the elective constitutional officers, the Arkansas
9 Department of Transportation, and the Arkansas State Game and Fish
10 Commission;

11 (2) The budget requests of all other state agencies, as
12 submitted by each agency, together with the Chief Fiscal Officer of the
13 State's analysis of the budget estimates and the executive recommendations;

14 (3) A recapitulation and summary of all budget information as
15 required in this subchapter and the recommendations of the Chief Fiscal
16 Officer of the State; and

17 (4) A detailed statement of the revenues and other sources of
18 income of the state government for the past complete fiscal year, the
19 estimated revenues of the state under existing laws, and the Governor's
20 proposals for revisions in any tax laws necessary to balance the budget.

21
22 19-4-306. Review and control of budgets.

23 The Chief Fiscal Officer of the State:

24 (1) In cooperation with the Legislative Council, shall devise
25 the necessary procedures, forms, and timetables to assure the same
26 comprehensive review of all state agency requests for capital expenditures as
27 outlined in this subchapter for operating budgets; and

28 (2) Shall institute the necessary budgetary and accounting
29 controls over those capital budgets approved by the General Assembly to
30 assure full compliance with all applicable state laws.

31
32 19-4-307. Employment classification information.

33 (a) At the same time a state agency submits a budget request for
34 presession budget hearings of the Legislative Council and the Joint Budget
35 Committee, the agency shall also submit the following information for each
36 employment classification:

- 1 (1) The total number of persons currently employed;
- 2 (2) The number of white male employees;
- 3 (3) The number of white female employees;
- 4 (4) The total number of Caucasian employees;
- 5 (5) The number of black male employees;
- 6 (6) The number of black female employees;
- 7 (7) The number of other employees who are members of racial
- 8 minorities; and
- 9 (8) The total number of minorities currently employed.

10 (b) An agency's budget request shall not be considered by the
11 Legislative Council or Joint Budget Committee in a pre-session budget hearing
12 unless the information required by this section is filed along with the
13 budget request.

14

15 Subchapter 4 – Auditor of State and Treasurer of State

16

17 19-4-401. Duties generally.

18 Except as otherwise provided in this chapter, the offices of the
19 Auditor of State and the Treasurer of State shall continue to perform the
20 duties imposed by law upon these offices.

21

22 19-4-402. Auditor of State as disbursing officer.

23 The Auditor of State shall act as disbursing officer for the
24 appropriations made for:

- 25 (1) Circuit judges;
- 26 (2) Prosecuting attorneys;
- 27 (3) Retired circuit and chancery judges; and
- 28 (4) The Lieutenant Governor.

29

30 19-4-403. Issuance of warrants.

31 The Auditor of State shall issue his or her warrants in payment of the
32 vouchers presented to him or her by the Chief Fiscal Officer of the State
33 only after the Auditor of State has satisfied himself or herself that this
34 chapter has been complied with. For this purpose, the Auditor of State may
35 conduct any further examination and preaudit of the vouchers that he or she
36 deems necessary. A single warrant may contain payments from multiple

1 appropriations, classifications of appropriation, and funds.

2

3 19-4-404. Books, forms, and receipts.

4 (a) To provide for uniformity in fiscal procedure, the Auditor of
5 State and the Treasurer of State are directed to establish and set up in
6 their respective books the income, appropriation, disbursement, and fund
7 accounts that are prescribed by the Chief Fiscal Officer of the State or as
8 otherwise provided by law.

9 (b) The forms of all vouchers and other prescribed forms used in
10 connection with the disbursement of funds in the State Treasury shall be
11 prescribed by the Chief Fiscal Officer of the State, with the approval of the
12 Auditor of State, or as otherwise provided by law.

13 (c) All forms of receipts and other prescribed forms used in
14 connection with the recording of the receipts of the Treasurer of State shall
15 be prescribed by the Chief Fiscal Officer of the State, with the approval of
16 the Treasurer of State, or as otherwise provided by law.

17

18 19-4-405. Examination of records.

19 (a) The Auditor of State shall examine and verify the disbursement and
20 redemption records of the Treasurer of State daily and compare them with the
21 records in the Auditor of State's office and with the Auditor of State's
22 redeemed warrants.

23 (b) As each redeemed warrant is examined and found to compare with the
24 disbursement records, it shall be stamped over the signature of the Auditor
25 of State. The stamp shall contain the words "VOID, STATE AUDITOR", and shall
26 be at least one-half inch by one and one-half inches ($\frac{1}{2}$ " x $1\frac{1}{2}$ ") in size.

27

28 19-4-406. Storage of warrants.

29 (a)(1) The Auditor of State shall place all redeemed warrants in a
30 secure place or vault in the Auditor of State's office, subject to the
31 inspection by any interested citizen.

32 (2)(A) Except as provided in subdivision (a)(2)(B) of this
33 section, the Auditor of State shall keep a warrant intact and without further
34 alteration for a period of one (1) year from the close of the fiscal year in
35 which the warrant was issued.

36 (B)(i) If the Auditor of State makes an electronic copy of

1 the warrant, the original warrant shall be kept for three (3) months.

2 (ii) The electronic copy of the warrant shall be
3 maintained for a period of ten (10) years from the close of the fiscal year
4 in which the warrant was issued.

5 (b) If the Legislative Auditor or the State Historian requests
6 retention of an original warrant or the electronic copy of a warrant in
7 excess of the time periods provided under subsection (a) of this section, the
8 Auditor of State shall retain the warrant for such period of time as required
9 by the Legislative Auditor or the State Historian.

10 (c) If federal law or regulations require the retention of certain
11 warrants for a period longer than the period prescribed in this section, the
12 Auditor of State shall retain the warrants for the period prescribed by the
13 federal law or regulations.

14
15 19-4-407. Electronic warrants transfer system.

16 (a) The Chief Fiscal Officer of the State, the Treasurer of State, and
17 the Auditor of State may establish an electronic warrants transfer system
18 directly into payee's accounts in financial institutions in payment of any
19 account allowed against the state.

20 (b) The Chief Fiscal Officer of the State, the Treasurer of State, and
21 the Auditor of State, by joint rules, shall establish the standards and
22 procedures for administering the electronic warrants transfer system, to
23 include that the electronic warrants transfer is in such a form that a single
24 instrument serves as electronic warrants transfer.

25 (c) A single electronic warrants transfer may contain payments to
26 multiple payees, appropriations, characters, and funds.

27
28 19-4-408. Distributions to public school districts.

29 (a)(1) The Chief Fiscal Officer of the State, the Treasurer of State,
30 and the Auditor of State shall establish an electronic warrants transfer
31 system to distribute certain funds directly to an account in a financial
32 institution, as designated by the public school district's treasurer.

33 (2) The Commissioner of Elementary and Secondary Education shall
34 make the determination of the categories of funds to be distributed.

35 (3)(A) The public school district shall accept distributions by
36 the electronic warrants transfer system.

1 (B)(i) A public school district with a district treasurer
2 may choose to have funds first distributed to the county treasurer or
3 directly to the school district treasurer.

4 (ii) If a school district with a district treasurer
5 chooses direct distribution of funds to the school district treasurer, the
6 State of Arkansas shall forward all state and federal funds for the district
7 to the district treasurer, whether they are in the form of state warrants or
8 electronic warrants transfers.

9 (iii) If a school district uses the county treasurer
10 as its treasurer, the State of Arkansas shall forward all state and federal
11 funds for the district to the county treasurer, whether they are in the form
12 of state warrants or electronic warrants transfers.

13 (b) The Chief Fiscal Officer of the State, the Treasurer of State, and
14 the Auditor of State, by joint rules, shall establish the standards and
15 procedures for administering the electronic warrants transfer system, to
16 include that the electronic warrants transfer is in such a form that a single
17 instrument serves as electronic warrants transfer.

18 (c) A single electronic warrants transfer may contain payments to
19 multiple public school districts, appropriations, characters, and funds.

20
21 Subchapter 5 – Financial Management System

22
23 19-4-501. General requirements.

24 (a) To provide necessary financial information for the Governor,
25 members and committees of the General Assembly, and other interested state
26 agencies, the Chief Fiscal Officer of the State shall establish a
27 comprehensive financial management system for appropriated and cash funds of
28 agencies.

29 (b) The comprehensive financial management system shall provide for an
30 adequate control over receipts, expenditures, and balances to the end that
31 information may always be currently available as to the financial condition
32 of the state and its various subdivisions. The comprehensive financial
33 management system shall:

34 (1) Include a modified accrual system embracing encumbrance
35 accounting;

36 (2) Conform with generally accepted governmental accounting

1 principles; and

2 (3) Provide a reporting system whereby actual expenditures are
3 compared to those predicted in the agency's annual operations plan described
4 in subchapter 6 of this chapter.

5 (c) In obtaining any necessary fiscal information, the Chief Fiscal
6 Officer of the State may make an examination of the books and records of an
7 agency to determine the financial condition of the agency and to report on
8 it.

9

10 19-4-502. Duties of Chief Fiscal Officer of the State generally.

11 The Chief Fiscal Officer of the State shall:

12 (1) Review postaudits of state agencies conducted by the
13 Legislative Joint Auditing Committee and advise the Governor and the Attorney
14 General or prosecuting attorney for legal action, if appropriate, of any
15 improper or illegal practices;

16 (2) Assist the various agencies in complying with the
17 recommendations of the Legislative Joint Auditing Committee for improving the
18 accounting systems of the agencies;

19 (3) Establish a uniform chart of accounts and issue an
20 accounting procedures manual governing statewide accounting and reporting
21 policies and procedures;

22 (4) Prepare analysis and evaluation reports of the financial
23 management system and fiscal control procedures to determine compliance with
24 generally accepted governmental accounting principles;

25 (5) Adapt the financial management system to meet the particular
26 needs of each agency while maintaining the overall integrity of the financial
27 management system and comparability of coding and reporting for all agencies
28 utilizing the financial management system; and

29 (6) Design accounting and reporting forms for use by agencies in
30 effecting proper fiscal control procedures.

31

32 19-4-503. Deposit of funds into State Treasury.

33 (a) Upon request of a state agency having funds on deposit in a
34 depository other than the State Treasury, the Chief Fiscal Officer of the
35 State may authorize the agency to deposit the moneys into the State Treasury.

36 (b) The Chief Fiscal Officer of the State shall determine the

1 classification of the funds and shall designate or create the State Treasury
2 fund into which the moneys are to be deposited.

3 (c) The appropriation acts that appropriated the cash moneys shall be
4 construed to be in conformity with Arkansas Constitution, Article 5, § 29,
5 and Arkansas Constitution, Article 16, § 12, for withdrawing moneys from the
6 State Treasury.

7 (d) All moneys deposited into the State Treasury under this section
8 shall be deposited as nonrevenue receipts and shall not be subjected to the
9 provisions of § 19-21-105 unless the source of the revenue is specifically
10 classified in § 19-41-201 or § 19-42-201.

11 (e) If any moneys classified as trust funds under this section earn
12 interest, then that interest shall be credited to the trust fund.

13

14 19-4-504. Requisites of financial management system.

15 The financial management system shall at all times:

16 (1) Reflect the unencumbered balances of all State Treasury
17 funds, fund accounts, and accounts and appropriations payable from the State
18 Treasury;

19 (2) Reflect the appropriations and allotments as approved by the
20 General Assembly;

21 (3) Reflect the distribution and allocation of the state
22 revenues under the Revenue Stabilization Law, § 19-20-101 et seq., and other
23 revenue laws of the state; and

24 (4) Provide a record of the expenditures, disbursements, and
25 receipts of all state agencies.

26

27 19-4-505. State accounting system to conform to generally accepted
28 accounting principles – Legislative intent.

29 (a)(1) It is the intent of the General Assembly that the state
30 accounting system, as authorized in this subchapter, be established in
31 conformity with generally accepted accounting principles as recognized by the
32 Governmental Accounting Standards Board, the American Institute of Certified
33 Public Accountants, the Financial Accounting Standards Board, and any
34 successor governing boards.

35 (2) However, the Chief Fiscal Officer of the State shall consult
36 the Legislative Joint Auditing Committee before proposing, adopting, or

1 recommending compliance with any of the generally accepted accounting
2 principles that conflict with law.

3 (b) It is further recognized that the state accounting system should
4 comply with recognized principles of accounting for and reporting of public
5 moneys in order to properly and fairly discharge to the taxpayers the state's
6 responsibility of adequately accounting for the taxpayers' moneys.

7

8 19-4-506. Accounting and reporting capabilities.

9 A governmental accounting system shall make it possible both to:

10 (1) Present fairly and with full disclosure the financial
11 position and results of financial operations of the funds and account groups
12 of the governmental unit in conformity with generally accepted accounting
13 principles; and

14 (2) Determine and demonstrate compliance with finance-related
15 legal and contractual provisions.

16

17 19-4-507. Fund accounting systems.

18 (a) Governmental accounting systems shall be organized and operated on
19 a fund basis.

20 (b) As used in this section, "fund" means a fiscal and accounting
21 entity with a self-balancing set of accounts recording cash and other
22 financial resources, together with all related liabilities and residual
23 equities or balances, and changes therein, that are segregated for the
24 purpose of carrying on specific activities or attaining certain objectives in
25 accordance with special rules, restrictions, or limitations.

26

27 19-4-508. Interim and annual financial reports.

28 (a) Appropriate interim financial statements and reports of financial
29 position, operating results, and other pertinent information shall be
30 prepared to facilitate management control of financial operations,
31 legislative oversight, and when necessary or desired, for external reporting
32 purposes.

33 (b) An annual comprehensive financial report covering all funds and
34 account groups of the governmental unit shall be prepared and published,
35 including:

36 (1) Appropriate combined, combining, and individual fund

1 statements;

2 (2) Notes to the financial statements;

3 (3) Schedules;

4 (4) Narrative explanations; and

5 (5) Statistical tables.

6 (c)(1) General purpose financial statements may be issued separately
7 from the annual comprehensive financial report.

8 (2) General purpose financial statements shall include the basic
9 financial statements and notes to the financial statements that are essential
10 to fair presentation of financial position and operating results and changes
11 in financial position of proprietary funds and similar trust funds.

12

13 19-4-509. Design of financial management system.

14 (a)(1) The financial management system shall be designed to record
15 transactions in accordance with generally accepted accounting principles as
16 established by the Governmental Accounting Standards Board.

17 (2) The financial management system shall provide a suitable
18 analysis of the operation, maintenance, and improvement of all state agencies
19 and their functions.

20 (3) The financial management system shall furnish a breakdown
21 and itemization of all financial transactions in accordance with the
22 appropriations and allotments of the General Assembly, federal grants, and
23 bank funds of the agencies.

24 (b) The Chief Fiscal Officer of the State shall prepare a general
25 ledger manual covering the system of classifying financial transactions and
26 shall supply all agencies with a copy of this general ledger manual.

27

28 19-4-510. Appropriations code manual.

29 (a) After the General Assembly has enacted the various appropriation
30 measures for the support and operation of state government and its agencies,
31 the Chief Fiscal Officer of the State shall prepare a complete code manual
32 setting out all of the appropriations of the General Assembly, the purpose of
33 the appropriations and the funds, fund accounts, or accounts from which the
34 appropriations are made and shall classify them in accordance with the titles
35 and definitions as enumerated in this chapter.

36 (b) After establishing the appropriation items and classifying them

1 under this chapter in strict conformity to the intent and purposes of the
2 appropriation acts and within the limitations of the revenues and funds
3 available for these purposes, it shall then be unlawful for the Chief Fiscal
4 Officer of the State or a disbursing officer of a state agency to transfer
5 from an appropriation item, the purpose of which is defined under this
6 chapter, to any other appropriation item of a different classification and
7 purpose as defined in this subchapter except when permitted by law.

8
9 19-4-511. Classification of appropriations.

10 (a)(1) For the purpose of establishing the proper accounts, for
11 budgetary control, for accounting, and for other provisions of this chapter,
12 the appropriations of the General Assembly shall be classified under one (1)
13 or more of the classifications prescribed in §§ 19-4-512 – 19-4-516.

14 (2) The purposes for which these appropriations may be used are
15 defined as prescribed in §§ 19-4-512 – 19-4-516, but not necessarily limited
16 to those purposes.

17 (b) However, the state's financial management system may invoke
18 additional budget control using features of the state's financial management
19 system that are in addition to the appropriations of the General Assembly.

20
21 19-4-512. Personal services – Definition.

22 The personal services classification is for regular full-time, part-
23 time, and extra-help employees, employer matching costs, employer special or
24 extra compensation, overtime earnings, and other employee benefits that are
25 legally authorized, and the personal services classification is categorized
26 in the following subclassifications:

27 (1) Regular Salaries. This subclassification is applicable to
28 all salaries and compensation, except as provided in this section, for state
29 employees when the number of employees and maximum amounts of compensation
30 are statutorily authorized as provided by Arkansas Constitution, Article 16,
31 § 4, regardless of the financial resources compensating such employees within
32 this subclassification, and regardless of when the method of salary
33 disbursing of the institutions of higher education involves payment from
34 state agency bank funds of the institution of higher education, subject to
35 reimbursement to the institution of higher education for such amounts as are
36 properly payable from funds in the State Treasury. However, the state's

1 financial management system may include in the subclassification of regular
2 salaries the following:

3 (A) Extra Salaries. This description includes all special
4 remuneration received by state employees in addition to regular salary that
5 is authorized by law. Any state agency that receives an appropriation for
6 extra salaries may pay eligible employees at the following rates, with the
7 total additional compensation not to exceed seven thousand dollars (\$7,000)
8 per fiscal year:

9 (i) Physicians who are certified by the American
10 specialty boards, at a rate of pay not to exceed four thousand five hundred
11 dollars (\$4,500) per fiscal year;

12 (ii) Physicians who are eligible to be certified by
13 the American specialty boards, at a rate of pay not to exceed two thousand
14 five hundred dollars (\$2,500) per fiscal year; and

15 (iii) Physicians certified in child psychiatry or
16 forensic psychiatry, an additional two thousand five hundred dollars (\$2,500)
17 per fiscal year will be allowed;

18 (B) Special Compensation. This description includes
19 special remuneration when authorized by law for employee suggestion awards;
20 and

21 (C) The payment of extra salaries and special compensation
22 when authorized by law is in addition to the maximum amounts of compensation
23 set by law for regular salaries;

24 (2) Extra Help.

25 (A) This subclassification shall be used for payment of
26 all salaries and compensation of part-time or temporary employees, as
27 authorized by law, who are employed one thousand five hundred (1,500) hours
28 per fiscal year or less.

29 (B) This subclassification may be used to pay part-time or
30 temporary employees who are employed for more than one thousand five hundred
31 (1,500) hours per fiscal year if specific authorization is provided by law
32 and if such use is within standards established by the Secretary of the
33 Department of Finance and Administration.

34 (C) Extra-help funds shall not be used to pay additional
35 compensation to a full-time state employee.

36 (D) As used in this section, "state employee" means any

1 employee occupying a regular salaried position for a state agency, board,
2 commission, department, or institution of higher education;

3 (3) Overtime. This subclassification is applicable for payment
4 of services performed in excess of normal hours of work during a specific
5 time when specifically authorized by law; and

6 (4) Personal Services Matching.

7 (A) This subclassification represents the state agency's
8 proportion of the amounts necessary to contribute the state agency's share or
9 to match the deductions from the salaries of state employees for:

10 (i) Social Security;

11 (ii) Retirement;

12 (iii) Group employee insurance programs;

13 (iv) Workers' compensation;

14 (v) Unemployment compensation contributions; and

15 (vi) A state contribution for state employee

16 retirees who are eligible to participate in the health and life insurance
17 programs offered by the state as defined by § 21-5-411 and as authorized by
18 the Chief Fiscal Officer of the State.

19 (B) The Chief Fiscal Officer of the State may make
20 appropriate reclassifications of the state agency's appropriation for
21 maintenance and general operation to effect the payment of personal services
22 matching as described in this subdivision (4).

23
24 19-4-513. Maintenance and general operation.

25 (a) The maintenance and general operation classification covers items
26 of expense necessary for the proper and efficient operation of the state
27 agency, authority, board, commission, department, or institution of higher
28 education, except as otherwise classified in this subchapter.

29 (b) It is recognized that in those instances in which the maintenance
30 and general operation line-item classification is not subclassified, the
31 state agency may expend moneys for operations in compliance with the intent
32 of this subchapter.

33 (c) If an appropriation for maintenance and general operation
34 authorized for a state agency, board, department, or institution of higher
35 education is restricted in its use by budget classification as set out in
36 subsection (d) of this section, transfers between such classifications may be

1 made subject to the procedures set out as follows:

2 (1)(A) If the amount of any of the budget classifications of
3 maintenance and general operation in an agency's appropriation act are found
4 by the administrative head of the agency to be inadequate, then the agency
5 head may request, upon forms provided for such a purpose by the Chief Fiscal
6 Officer of the State, a modification of the amounts of the budget
7 classification. In that event, the agency head shall set out on the forms the
8 particular classifications for which he or she is requesting an increase or
9 decrease, the amounts thereof, and his or her reasons for requesting a
10 modification of the amounts of the budget classification.

11 (B) The total amount of the budget shall not exceed either
12 the amount of the appropriation or the amount of the funds available.

13 (C)(i) Except as provided in subdivision (c)(1)(C)(ii) of
14 this section, transfers shall not be made from the capital outlay or data
15 processing subclassification unless specific authority for those transfers is
16 provided by law.

17 (ii) Transfers from capital outlay to data
18 processing may be made when it is determined by the Division of Information
19 Systems that data processing services for a state agency can be performed on
20 a more cost-efficient basis by the division than through the purchase of data
21 processing equipment by that state agency;

22 (2)(A) In considering the proposed modification as prepared and
23 submitted by each state agency, the Chief Fiscal Officer of the State shall
24 make such studies as he or she deems necessary.

25 (B) If the requested transfer, when added to other
26 transfers previously approved during the fiscal year for the same
27 classification with the same appropriation, would result in a deviation of
28 any kind in the affected classifications of less than five percent (5%) up to
29 a maximum of two thousand five hundred dollars (\$2,500) from the
30 classifications established by law, the Chief Fiscal Officer of the State
31 shall approve the requested transfer if in his or her opinion it is in the
32 best interest of the state.

33 (C) If the requested transfer, when added to other
34 transfers previously approved during the fiscal year for the same
35 classification within the same appropriation, would result in a deviation of
36 five percent (5%) or more, or more than two thousand five hundred dollars

1 (\$2,500), the Chief Fiscal Officer of the State shall submit the request,
2 along with his or her recommendation, to the Legislative Council for its
3 advice before approving the request; and

4 (3) If a state agency expends or obligates any approved budget
5 in excess of the maximum classification, the Chief Fiscal Officer of the
6 State shall study the reasons for the excess expenditures and shall take
7 immediate steps to correct the excess spending that he or she deems necessary
8 after notification of such actions has been sent to the Legislative Council.

9 (d) Maintenance and general operation may be further categorized into
10 the following subclassifications and the expenses of each subclassification
11 shall be used according to the subclassification:

12 (1) Operating Expenses. This subclassification includes without
13 limitation expenses associated with the following:

14 (A) Postage, telephone, and telegraph;

15 (B) Transportation of commodities or objects;

16 (C) Printing;

17 (D) State-owned motor vehicles;

18 (E) Advertising;

19 (F) Minor and major repairs;

20 (G) Maintenance contracts;

21 (H) Utilities and fuel;

22 (I) Insurance premiums, surety and performance bonds, and
23 association dues and memberships;

24 (J) Contractual services not otherwise classified;

25 (K) Consumable supplies, materials, and commodities;

26 (L) Books, publications, and newspapers;

27 (M) Court costs;

28 (N) Equipment not capitalized;

29 (O) Applicable petty cash reimbursements, laundry, and
30 taxes;

31 (P) Travel, subsistence, meals, lodging, transportation of
32 state employees or officials, and nonstate employees traveling on official
33 business;

34 (Q)(i) Uniforms the agency requires its employees to wear
35 as part of the job.

36 (ii) Clothing items purchased for its employees and

1 not required to be worn during working hours, or which are purchased for the
2 promotion of the agency, shall not be subclassified as an operating expense;

3 (R) Other items of operating expense that are provided by
4 the appropriation act or under reasonable rules and procedures issued by the
5 Chief Fiscal Officer of the State; and

6 (S) Debt service on equipment or measures required by a
7 guaranteed energy cost savings contract executed under the Guaranteed Energy
8 Cost Savings Act, § 19-68-101 et seq., or an energy efficiency project
9 financed under the State Entity Energy Efficiency Project Bond Act, § 15-5-
10 1801 et seq.;

11 (2) Conference and Travel Expenses. This subclassification
12 includes:

13 (A) The costs of a state employee attending a conference,
14 seminar, or training program; and

15 (B) The costs of a state agency-sponsored or hosted
16 conference, seminar, or training program when the expenses are not otherwise
17 classified according to this section;

18 (3) Professional Fees. This subclassification includes the
19 expenses for contractual agreements entered into by the state agency with an
20 individual, partnership, corporation, or anyone other than a state employee
21 to provide a particular document, report, speech, study, or commodity other
22 than those contractual agreements that by their nature would be classified
23 elsewhere in this subchapter;

24 (4) Capital Outlay. This subclassification includes without
25 limitation the following expenses:

26 (A) Purchase of land, buildings, equipment, furniture, and
27 fixtures; and

28 (B) Contractual agreements, all of which are to be
29 capitalized from the maintenance and general operation classification of
30 appropriation; and

31 (5) Data Processing. This subclassification includes purchase
32 of data processing services from the division, or others, and other expenses
33 that are not necessarily classified elsewhere in this section by virtue of
34 the appropriation based upon budgets presented for consideration.

35 (e) Notwithstanding this section or any other law to the contrary,
36 state-supported colleges and universities may utilize maintenance and

1 operation appropriations for the payment of moving expenses of employees,
2 including new hires.

3
4 19-4-514. Grants, assistance, and special aid.

5 The grants, assistance, and special aid classification is applicable to
6 all appropriations made by the General Assembly from state, federal, or other
7 moneys for educational assistance, welfare grants, rehabilitation services,
8 aid to counties and municipalities, and to all other special appropriations
9 that have for their purpose the appropriating of state, federal, or other
10 moneys for public benefits.

11
12 19-4-515. Construction and permanent improvements.

13 (a)(1) The construction and permanent improvements classification is
14 determined by the language of the appropriation acts that make available
15 funds for construction and new improvements. For the purpose of classifying
16 the expenditures under any such appropriation, all the necessary expenses in
17 connection with the appropriation are part of the construction costs. These
18 items of expense include without limitation the following:

19 (A) Advertising for bids;

20 (B) Architects, engineers, and other professional services
21 in connection with the proposed projects; and

22 (C) The payment of estimates on the various contracts in
23 connection with such construction programs.

24 (2) All construction and improvements are subject to §§ 19-4-
25 1401 – 19-4-1411 and to the rules promulgated by the Chief Fiscal Officer of
26 the State.

27 (3)(A)(i) A state agency for which appropriations have been made
28 by the General Assembly for construction or improvements shall not make any
29 contract or incur any indebtedness payable from the appropriations unless
30 there are sufficient funds on hand, for the benefit of any agency, to pay for
31 the proposed obligations under the contracts.

32 (ii) However, an agency may accept and use grants
33 and donations and use its unobligated cash income or other funds available to
34 it for the purpose of supplementing the appropriations for construction
35 purposes.

36 (B) The appropriations and funds otherwise provided by the

1 General Assembly for personal services, maintenance, and general operation of
2 an agency shall not be used in connection with any proposed construction
3 projects for which specific appropriations have been made by the General
4 Assembly, except for minor repairs and maintenance.

5 (b) The restrictions of this section do not apply to contracts
6 approved by the State Highway Commission for construction of roads and
7 bridges in the highway system.

8 (c) The Chief Fiscal Officer of the State may reclassify but not
9 consolidate an agency's appropriation for construction to effect the payment
10 of construction-related costs in the appropriate classification as described
11 in this subchapter using the state's financial management system to invoke
12 budget control.

13

14 19-4-516. Special appropriations.

15 (a)(1) All other appropriations made by the General Assembly that do
16 not come under any of the classifications referenced in this subchapter are
17 special appropriations and shall be used only for the specific purposes for
18 which the appropriations are made.

19 (2) Except as otherwise provided by law, an agency receiving a
20 special appropriation shall not expend funds from any appropriation other
21 than from the special appropriation for the special purpose covered by the
22 special appropriation.

23 (3) The state's financial management system may invoke
24 additional budget control using features of the financial management system
25 that are in addition to the appropriations of the General Assembly.

26 (b) To allow for full disclosure of investment transactions, to make
27 available special reports on investment transactions, and to isolate
28 investment expenditures from normal expenditures, the Chief Fiscal Officer of
29 the State may establish separate appropriation codes for investments and
30 transfer to those appropriations from the investment line item as established
31 in the agency appropriation acts.

32 (c)(1)(A) An agency may request a special appropriation for
33 promotional items by submitting a written request to the Chief Fiscal Officer
34 of the State.

35 (B) A written request for a special appropriation under
36 subdivision (c)(1)(A) of this section shall:

1 (i) Specify the amount of the requested special
2 appropriation, the authorized appropriation section for the requested special
3 appropriation, and the funding source to be used for the requested special
4 appropriation; and

5 (ii) Provide a brief description of the type of
6 promotional items to be purchased and the purpose for which the promotional
7 items will be used.

8 (2)(A) Except as provided in subdivision (c)(2)(B) of this
9 section, the Chief Fiscal Officer of the State may approve only up to five
10 thousand dollars (\$5,000) in cumulative written requests per agency under
11 this subsection each fiscal year.

12 (B) A single written request for a special appropriation
13 under this subsection that exceeds the limit specified in subdivision
14 (c)(2)(A) of this section or a written request for a special appropriation
15 under this subsection that, if approved, would result in the cumulative
16 amount of approved written requests under this subsection exceeding the limit
17 stated in subdivision (c)(2)(A) of this section shall be submitted to the
18 Legislative Council or, if the General Assembly is in session, the Joint
19 Budget Committee, for review before the Chief Fiscal Officer of the State may
20 approve the written request.

21 (3) Upon approving a written request for a special appropriation
22 under this subsection, the Chief Fiscal Officer of the State shall create a
23 new line item for promotional items for the agency making the request and
24 shall cause a transfer of the approved amount from the requesting agency's
25 operating expenses to the requesting agency's promotional items line item.

26

27 19-4-517. Authority of Treasurer of State to use certain funding for
28 operations.

29 (a) The Treasurer of State may utilize the funding for maintenance and
30 general operations provided for in the Constitutional Officers Fund and State
31 Central Services Fund to allow for reconciling items that may occur in the
32 operations of the office of the Treasurer of State.

33 (b) The Treasurer of State with the advice and approval of the
34 Legislative Joint Auditing Committee shall develop policies and procedures
35 for proper accounting of reconciling items.

36

1 Subchapter 6 – Annual Operations Plans of State Agencies

2
3 19-4-601. Responsibility generally.

4 Except as limited by appropriations and funding by the General Assembly
5 and other provisions of law, state agencies shall administer their programs
6 as authorized by the General Assembly and are responsible for the proper
7 management of their programs.

8
9 19-4-602. Compliance and approval required.

10 (a) A state agency shall not increase the salaries of its employees,
11 employ additional employees, expend money, or incur any obligations except in
12 accordance with law and with a properly approved annual operations plan that
13 includes a quarterly fiscal program.

14 (b) Appropriations subject to this subchapter are not available for
15 expenditures or encumbrance until the state agency has complied with this
16 subchapter.

17
18 19-4-603. Exemptions generally.

19 Appropriations for retirement benefits, refunds, and Social Security
20 requirements of the teacher and public employees retirement systems are
21 excluded from this subchapter.

22
23 19-4-604. State-supported institutions of higher education.

24 (a) At least thirty (30) days before the start of each fiscal year,
25 the Chief Fiscal Officer of the State shall make studies for the purpose of
26 estimating the anticipated amounts of general revenues to be available for
27 distributions under the provisions of the Revenue Stabilization Law, § 19-20-
28 101 et seq., for the fiscal year. The Chief Fiscal Officer of the State shall
29 compute the estimated amounts of general revenues to be available for
30 allocation to the respective State Treasury accounts in accordance with their
31 percentage distributions of general revenues under the Revenue Stabilization
32 Law, § 19-20-101 et seq.

33 (b) The Chief Fiscal Officer of the State shall certify to each of the
34 respective state-supported institutions of higher education, at least thirty
35 (30) days before the start of each fiscal year, the estimated amounts of
36 general revenues to be available for distribution to the State Treasury

1 account for their respective state-supported institutions of higher
2 education. The Chief Fiscal Officer of the State shall include in each
3 certification the quarterly allocations of the amounts that are estimated to
4 be available for expenditures based upon these estimates.

5 (c) Upon receipt of the estimated amounts to be available for
6 expenditure and after reviewing the quarterly allocation of the amounts as
7 submitted by the Chief Fiscal Officer of the State, a state-supported
8 institution of higher education may request revisions in the proposed
9 quarterly allocations as certified by the Chief Fiscal Officer of the State.

10 (d) With the advice and consent of the Division of Higher Education,
11 the Chief Fiscal Officer of the State shall approve requested revisions in
12 the proposed quarterly allocations if he or she determines that:

13 (1) The proposed revisions in quarterly allocations do not
14 exceed the aggregate of the estimated funds to be available from estimates of
15 anticipated revenues and fund balances in the state-supported institution of
16 higher education's account in the State Treasury for the fiscal year; and

17 (2) The revised quarterly allocations will not impose an undue
18 hardship upon other allotments of revenues and other financial commitments to
19 be met from the distributions of general revenues during the fiscal year.

20 (e) The Chief Fiscal Officer of the State shall periodically review
21 the estimates of projected general revenue collections anticipated to be
22 available during a fiscal year. The Chief Fiscal Officer of the State may
23 make revisions in the amounts certified to the respective state-supported
24 institutions of higher education based upon these estimates and may revise
25 the quarterly amounts certified to each state-supported institution of higher
26 education based upon the revised estimates.

27 (f) From time to time, a state-supported institution of higher
28 education may request revisions in the quarterly allocations of moneys when
29 needs of the state-supported institution of higher education require those
30 revisions.

31 (g) Any unexpended balances remaining at the end of each fiscal year
32 shall be transferred forward and made available for the support of the state-
33 supported institution of higher education for the following fiscal year.

34 (h) The budget execution provisions set forth in this section are
35 applicable to all state-supported institutions of higher education, and
36 except for the annual fiscal program requirements, §§ 19-4-601, 19-4-602, and

1 19-4-605 – 19-4-607 do not apply to these state-supported institutions of
2 higher education. These state-supported institutions of higher education are
3 governed by this section and by procedures established under authority of §
4 6-61-209.

5 (i) The division shall coordinate with the Chief Fiscal Officer of the
6 State for administering this section.

7

8 19-4-605. Review and approval of annual operations plans.

9 (a) Each state agency other than the elected constitutional officers,
10 the legislative branch and its staff offices, the judicial branch and its
11 staff offices, the Arkansas Department of Transportation, the Office of the
12 Arkansas Lottery, the state-supported institutions of higher education, and
13 the Arkansas State Game and Fish Commission shall prepare an annual
14 operations plan for the operation of each of its assigned programs for
15 submission to the Chief Fiscal Officer of the State.

16 (b) The annual operations plan shall be prepared in the form and
17 content determined by the Chief Fiscal Officer of the State and shall be
18 transmitted to the Department of Finance and Administration on the date
19 prescribed by the Chief Fiscal Officer of the State.

20 (c) In years when the General Assembly meets in regular session, the
21 annual operations plan shall be prepared after adjournment of the regular
22 session and shall take fully into consideration all applicable laws,
23 including appropriations, and shall be submitted to the Department of Finance
24 and Administration on a date set by the Chief Fiscal Officer of the State but
25 before July 1 of that year.

26 (d) The Chief Fiscal Officer of the State shall:

27 (1) Review each annual operations plan to determine that:

28 (A) It is consistent with the policy decisions of the
29 General Assembly and the Governor;

30 (B) Appropriations and funding have been provided by the
31 General Assembly;

32 (C) It reflects proper planning and efficient management
33 methods; and

34 (D) Appropriations and funding have been made for the
35 planned purpose and will not be exhausted before the end of the fiscal year;
36 and

1 (2)(A)(i) Approve the annual operations plan if he or she is
2 satisfied that it meets all requirements.

3 (ii) Otherwise, he or she shall require necessary
4 revisions of the annual operations plan in whole or in part.

5 (B) This section does not allow the Chief Fiscal Officer
6 of the State to substitute his or her individual judgment as to the operation
7 or necessity of any program of any state agency for the judgment of the
8 executive head or board or commission charged with the responsibility for the
9 operation and control of that agency.

10 (e) Each annual operations plan shall indicate:

11 (1) The appropriation and funding provided by the General
12 Assembly;

13 (2) A detailed budget by quarters; and

14 (3) Any other supporting or related information required by the
15 Chief Fiscal Officer of the State or requested by an interim committee of the
16 General Assembly, including the Legislative Council.

17
18 19-4-606. Fiscal controls.

19 To provide proper fiscal controls, the Chief Fiscal Officer of the
20 State shall assure the implementation of the procedures set out in this
21 section:

22 (1)(A) The annual operations plan of each state agency shall
23 contain a quarterly fiscal program indicating the proposed expenditures and
24 anticipated resources for each quarter of the ensuing fiscal year.

25 (B) Anticipated resources shall be based upon forecasted
26 resources estimated to be available by the Chief Fiscal Officer of the State.

27 (C) If a revision of forecasted resources is made during a
28 fiscal year, those agencies affected by the revised forecast shall submit a
29 new quarterly fiscal program based upon the revised forecast;

30 (2) The Chief Fiscal Officer of the State shall review and
31 approve the quarterly fiscal program if he or she finds that the forecasted
32 resources will be adequate for financing the proposed program during the
33 fiscal year and for each quarter or other appropriate period within the
34 fiscal year;

35 (3) If an agency incurs expenses at a level that would exceed
36 the proposed expenditures in its quarterly fiscal program, the Chief Fiscal

1 Officer of the State may require the submission of a revised quarterly fiscal
2 program that reduces expenditures for the remainder of the fiscal year to a
3 total that is within the level of the estimated resources available to the
4 agency. Remaining appropriations are not available to the agency until the
5 revised program has been submitted and approved; and

6 (4) In case the Chief Fiscal Officer of the State determines
7 that the estimated revenues or other sources of income for an agency will be
8 less than was anticipated and that consequently the funds available for the
9 remainder of the fiscal year will be less than the amount estimated, he or
10 she shall reduce the amount of available appropriation to the level of
11 expected revenue after notice to the agency.

12
13 19-4-607. Productivity reporting.

14 (a) Each state agency, other than the elected constitutional officers,
15 shall institute and maintain a program to increase the productivity and cost
16 effectiveness of the employees for which the state agency is responsible.

17 (b)(1) On or before the twentieth day of each month, each executive,
18 judicial, legislative, and other state agency shall provide to the Bureau of
19 Legislative Research the following information as of the last day of the
20 immediately preceding month:

21 (A) The number of appropriated positions, including
22 without limitation all positions appropriated in a state agency's current
23 appropriation act and any additional positions approved during the interim;

24 (B) The number of temporary transition pool positions
25 created in the interim and active for the month;

26 (C)(i) The number of full-time employees, including part-
27 time employees in full-time positions.

28 (ii) If two (2) or more part-time employees share a
29 full-time position, only one (1) employee shall be included in the number;

30 (D) The number of vacant positions that are budgeted;

31 (E) The number of vacant positions that are unbudgeted;

32 (F) The number of appropriated extra-help positions,
33 including without limitation all extra-help positions appropriated in a state
34 agency's current appropriation act and any extra-help positions approved
35 during the interim;

36 (G) The number of extra-help employees;

- 1 (H) The number of vacant extra-help positions;
2 (I) The total amount of overtime paid out during the
3 month;
4 (J) The total amount of straight time paid out during the
5 month;
6 (K) The total number of compensatory time hours taken
7 during the month; and
8 (L) Any other information requested by the Legislative
9 Council or, if the General Assembly is in session, the Joint Budget
10 Committee.

11 (2) On or before the twentieth day of each month, each
12 institution of higher education shall provide to the Bureau of Legislative
13 Research the following information as of the last day of the immediately
14 preceding month:

15 (A) The number of appropriated full-time positions,
16 including without limitation all full-time positions appropriated in an
17 institution of higher education's current appropriation act and any
18 additional full-time positions approved during the interim, including without
19 limitation provisional, pool, and nine-month positions;

20 (B)(i) The number of full-time employees regardless of
21 funding source, including without limitation those in provisional, pool, and
22 nine-month positions.

23 (ii) Nine-month staff and faculty who are removed
24 from the payroll but are still considered to be employed by the institution
25 of higher education and are assumed to return the next semester shall be
26 included in the number during the months that they are not on the payroll;

27 (C) The number of appropriated full-time positions that
28 are vacant;

29 (D) The number of part-time and extra-help positions that
30 are appropriated and any additional part-time and extra-help positions
31 approved during the interim;

32 (E)(i) The number of part-time and extra-help employees,
33 including without limitation faculty and graduate assistants.

34 (ii) Contract workers and students in work-study
35 positions shall not be included in the number;

36 (F) The total amount of overtime paid out during the

1 month;

2 (G) The total amount of straight time paid out during the
3 month;

4 (H) The total number of compensatory time hours taken
5 during the month; and

6 (I) Any other information requested by the Legislative
7 Council or, if the General Assembly is in session, the Joint Budget
8 Committee.

9 (3) The information required under this section shall be
10 compiled by each state agency and institution of higher education on forms
11 developed by the Bureau of Legislative Research and submitted to the
12 Legislative Council on a calendar-quarterly basis as two (2) separate
13 reports:

14 (A) One (1) report containing an average for each state
15 agency for the quarter; and

16 (B) One (1) report containing an average for each
17 institution of higher education for the quarter.

18 (4) Each executive, judicial, legislative, and other state
19 agency and each institution of higher education shall provide in the fourth
20 quarter of each fiscal year a list of all positions vacant for at least one
21 (1) year.

22

23 Subchapter 7 – Expenditures Generally

24

25 19-4-701. Fiscal periods of state.

26 (a) For the purpose of this chapter, relating to the appropriation and
27 disbursement of funds:

28 (1) The fiscal year of the state commences on July 1 and ends on
29 June 30 of the following year; and

30 (2) The biennial period, or “biennium”, commences on July 1
31 following the adjournment of the regular session of the General Assembly and
32 ends on June 30 two (2) years thereafter.

33 (b)(1) The definition of the fiscal year, for the purposes of this
34 chapter, does not affect special appropriations when no fiscal period is
35 defined in the act making the special appropriation or affect the bond year
36 for other fiscal transactions.

1 (2)(A) In the case of a special appropriation in which the
2 emergency clause has been adopted by the General Assembly and when no period
3 of time is mentioned in the act making the appropriation, the appropriation
4 is available for a two-year period from and after the effective date of the
5 act.

6 (B) In the case of a special appropriation in which the
7 emergency clause has not been adopted and when no period of time is mentioned
8 in the act making the appropriation, the appropriation becomes available
9 ninety (90) days after the adjournment of the General Assembly. The
10 appropriation is available for a two-year period from and after the date the
11 appropriation became available.

12
13 19-4-702. Time limits for presenting vouchers.

14 (a)(1)(A) A state agency may pay carryover obligations of the state
15 that were incurred on or before June 30 of the current fiscal year up to
16 forty-five (45) days after the end of the current fiscal year.

17 (B) The carryover obligations shall be supported by
18 purchase documents with corresponding receipts for the goods or services that
19 have been recorded as received in the state's financial management system by
20 June 30 of the fiscal year previous to the fiscal year in which the carryover
21 obligations are requested to be paid.

22 (2) The payments of the carryover obligations shall be charged
23 against appropriations and fund cash balances of the fiscal year in which the
24 obligations were incurred.

25 (3) Any payments for carryover obligations that are not
26 supported by the documents as required in this subsection, or which are
27 requested to be paid after forty-five (45) days following June 30 of the
28 fiscal year previous to the fiscal year in which the carryover obligations
29 are requested to be paid, shall be charged to the appropriations and fund
30 cash balances of the then-current fiscal year.

31 (b) If the vouchers are approved for payment, the Auditor of State
32 shall issue his or her warrants in payment of them not later than two (2)
33 weeks following the receipt of the vouchers from the Department of Finance
34 and Administration.

35 (c)(1) In the event of a just claim against a state agency, when the
36 claim is submitted too late for payment in the manner prescribed in this

1 section and the state agency affected has an appropriation for the same
2 purpose for the fiscal period following that period in which the claim was
3 incurred, then the disbursing agent may draw his or her voucher in the
4 payment of the claim against the new appropriation, but only if there were
5 sufficient funds and appropriations for the prior year to cover the claim.

6 (2) Otherwise, the claim shall be submitted to the Arkansas
7 State Claims Commission for payment.

8 (d)(1)(A) If a biweekly pay period for personal services, as defined
9 in §§ 19-4-512 and 19-4-1607, commences in the closing period of one (1)
10 fiscal period and either ends in the following fiscal year or is paid in the
11 following fiscal year, then the payment of the obligation may be made in
12 whole from the appropriation for either fiscal period, as determined by the
13 Chief Fiscal Officer of the State.

14 (B) However, an obligation shall not be incurred unless
15 there are funds on hand or estimated to become available to meet the
16 obligation when it becomes due.

17 (2)(A) For purposes of wages and compensation, the Chief Fiscal
18 Officer of the State may determine the starting date of authorized job
19 classifications and positions to coincide with the payment of the obligation
20 under subdivision (d)(1) of this section.

21 (B) However, the determination under subdivision (d)(2)(A)
22 of this section shall not cause any state fiscal year to be charged with
23 fewer than twenty-six (26) or more than twenty-seven (27) biweekly pay
24 periods.

25 (e)(1) All state agencies may carry over from the first fiscal year of
26 any biennium to the second fiscal year of the biennium any unexpended
27 appropriations and funds to the extent necessary to pay for items or
28 commodities ordered at least ninety (90) days before the end of the first
29 fiscal year but not received until after the end of the first fiscal year, if
30 the purchase of such items and commodities is substantiated by a written
31 contract resulting from the receipt of a formal bid.

32 (2)(A) All state agencies may carry over from the first fiscal
33 year of any biennium to the second fiscal year of the biennium any unexpended
34 maintenance and operation appropriations and funds, as defined under § 19-4-
35 513, to the extent necessary to pay for renovation and minor and major
36 repairs under the jurisdiction of the Building Authority Division that were

1 under contract at least ninety (90) days before the end of the first fiscal
2 year but that will not be completed until after the end of the first fiscal
3 year and are substantiated by written contracts.

4 (B) This carryover provision applies only to
5 appropriations and funds involving maintenance and operations.

6 (3) This subsection is supplemental to any other authority
7 granted any state agency by law to carry forward unexpended fund balances
8 from one (1) fiscal year to another.

9

10 19-4-703. Redemption of warrants.

11 A warrant issued by the Auditor of State is not payable by the
12 Treasurer of State unless the warrant has been presented for payment within
13 the twelve (12) months immediately following the close of the fiscal year or
14 other appropriate fiscal period against the appropriation for which the
15 warrant was charged.

16

17 19-4-704. No obligations without appropriations.

18 (a) An obligations shall not be paid from appropriated funds until the
19 General Assembly has made an appropriation for that purpose.

20 (b) A state agency shall not enter into any contract that would
21 contemplate that payments under the contracts would be made beyond the
22 expiration of the biennial period unless the General Assembly, before the
23 expiration of the biennial period, makes an appropriation for that purpose,
24 or in the case of multiyear contracts for commodities or services, a
25 determination in writing has been made before use that:

26 (1) Estimated requirements cover the period of the contract and
27 are reasonably firm and continuing; and

28 (2) Such a contract would serve the best interests of the state
29 by encouraging effective competition or otherwise promoting economies in
30 state procurement.

31 (c) An obligations shall not be incurred unless there are sufficient
32 funds or an approved federal grant on hand, or estimated to become available,
33 to meet the obligation when it becomes due.

34

35 19-4-705. Obligations limited to funds available.

36 (a) A state agency for which regular operating appropriations are made

1 on a fiscal-year basis shall not incur an obligation under the appropriations
2 unless there are funds on hand or an approved federal grant, or estimated to
3 become available, during the fiscal year for the payment of the obligation.

4 (b) An agency shall not create any obligation in one (1) fiscal year
5 that will make it necessary to use the revenues of the following fiscal year
6 in order to meet the obligation except in the case of multiyear contracts for
7 commodities or services and as provided in § 19-4-707.

8 (c)(1) If an agency had bank funds that are not required by law to be
9 deposited into the State Treasury, the agency may create additional
10 obligations to the extent of the bank funds on hand, or that are estimated to
11 become available during the fiscal period.

12 (2) However, except in the case of multiyear contracts for
13 commodities or services and as provided in § 19-4-707, the agency shall not
14 create any obligations, in the aggregate, that would make the total of the
15 obligations exceed the total of all funds available to the agency during the
16 fiscal period.

17
18 19-4-706. Interest and carrying charges.

19 State agencies, including exempt agencies, may enter into contracts
20 that contemplate the payment of interest, late charges, but only when the
21 late charges are incurred sixty (60) days after payment is due, or carrying
22 charges under rules that the State Procurement Director promulgates.

23
24 19-4-707. Obligations for improvements.

25 Although disbursements shall not be made during any fiscal period in
26 excess of the appropriations made available by the General Assembly for the
27 fiscal period, contracts for improvements including major repairs,
28 alterations, and construction of new buildings and facilities may be let to
29 the extent of the appropriations made available for those purposes for the
30 biennial period. However, those contracts shall not be let in amounts
31 exceeding the probable funds available or that are estimated to become
32 available during the period.

33
34 19-4-708. Depletion of agency funds.

35 If a state agency incurs obligations in such manner that the funds
36 allocated or belonging to the agency are depleted and the agency is unable to

1 pay all of its outstanding commitments without incurring a deficit, then the
2 Chief Fiscal Officer of the State may suspend all exemptions under the
3 Arkansas Procurement Law, § 19-61-101 et seq., with respect to the agency.
4 Under these circumstances, the Chief Fiscal Officer of the State may notify
5 the agency that all future obligations of any kind shall be approved by the
6 Chief Fiscal Officer of the State before they become valid obligations
7 against the funds of the agency.

8
9 19-4-709. Statement of financial condition.

10 (a) The Chief Fiscal Officer of the State may require, from time to
11 time as he or she deems necessary, a statement from a state agency setting
12 out the prospective funds that are estimated to become available and a
13 statement of the outstanding obligations and of the proposed expenditures of
14 that agency for the remainder of the fiscal period.

15 (b) If, in the Chief Fiscal Officer of the State's judgment, an agency
16 has incurred or is about to incur a deficit, the Chief Fiscal Officer of the
17 State shall call upon the agency to stop incurring obligations, under penalty
18 of the agency's disbursing bond.

19
20 19-4-710. Interagency transfers – Definition.

21 (a) To prevent the duplication of recording expenditures and revenues
22 resulting from interagency transactions, the Chief Fiscal Officer of the
23 State, after securing the approval of the proposed procedures by the
24 Legislative Auditor, may provide for an interagency transfer of moneys or
25 recognize a journal entry to charge the expenditure to the disbursing agency
26 without creating a warrant and to identify the cash receipt by the receiving
27 agency.

28 (b) Budget manuals prepared for the General Assembly for the biennial
29 state budget shall identify the original revenue source of interagency
30 transfers of funds.

31 (c) As used in this section, "interagency transfer" means:

32 (1) The purchase of services or commodities by one (1) state
33 agency from another state agency, or within a state agency; or

34 (2) Other transfers of funds under § 19-20-106 or other
35 provision of law.

36

1 19-4-711. Transfer of responsibilities.

2 If a state agency or its responsibilities, or a part of its
3 responsibilities, is transferred by law within a biennium to another agency,
4 the Chief Fiscal Officer of the State shall transfer all or part of the line-
5 item appropriations, personnel positions, and moneys necessary to accomplish
6 the transfer of responsibilities, subject to the same restrictions and
7 procedures applicable to the original appropriations and funds from which
8 transferred.

9
10 Subchapter 8 – Expenditure of Cash Funds
11

12 19-4-801. Definitions.

13 As used in this subchapter:

14 (1) “Cash funds” means all moneys, negotiable instruments,
15 certificates of indebtedness, stocks, and bonds held by or owned by any state
16 agency that are not on deposit with or in the trust of the Treasurer of
17 State; and

18 (2)(A) “State agency” means all boards, commissions,
19 departments, agencies, institutions, offices or officers, state-supported
20 institutions of higher education, and any other office or unit of government
21 of the State of Arkansas created or established pursuant to law or pursuant
22 to any action of the Governor, functioning under appropriation made by the
23 General Assembly or functioning as a representative of the state without
24 appropriation of the General Assembly.

25 (B) “State agency” does not include the:

- 26 (i) Governor;
27 (ii) Secretary of State;
28 (iii) Attorney General;
29 (iv) Treasurer of State;
30 (v) Auditor of State;
31 (vi) Commissioner of State Lands;
32 (vii) Supreme Court and its justices;
33 (viii) Circuit courts and circuit judges;
34 (ix) Prosecuting attorneys;
35 (x) Arkansas State Game and Fish Commission;
36 (xi) Arkansas Department of Transportation;

- 1 (xii)(a) Office of the Arkansas Lottery.
2 (b) However, the office shall be considered a
3 state agency for the purposes of § 19-4-806 et seq.;
- 4 (xiii) General Assembly; and
5 (xiv) Respective staffs of the officers and agencies
6 listed in this subdivision (2)(B).

7

8 19-4-802. Authorization of General Assembly.

9 (a) Cash funds of state agencies shall be budgeted and proposed
10 expenditures approved by enactments of the General Assembly.11 (b) The General Assembly shall budget, approve, and appropriate
12 expenditures of cash funds by the enactment of separate appropriation bills
13 setting forth the purpose for which the moneys are to be expended and the
14 dollar amount to be expended for that purpose.15 (c) State agencies shall submit any budgetary information requested by
16 the Legislative Council and shall undertake whatever budgetary procedures the
17 Legislative Council may establish for the appropriation of cash funds.18 (d) State agencies shall post all financial transactions of cash funds
19 in the state's financial management system in accordance with procedures
20 established by the Chief Fiscal Officer of the State.

21

22 19-4-803. [Reserved.]

23

24 19-4-804. Investment of fund balances.

25 (a) The state-supported institutions of higher education may determine
26 the depositories and the nature of investments of any of their cash funds
27 that are not currently needed for operating purposes. In making these
28 determinations, these state-supported institutions of higher education shall
29 seek to obtain the highest possible rate of return for their investments.30 (b) All cash fund agencies other than the state-supported institutions
31 of higher education shall request and abide by the recommendations of the
32 State Board of Finance as to the best investment decisions for any idle cash
33 balances.

34

35 19-4-805. Petty cash accounts.

36 (a)(1) State agencies operating under this subchapter may establish

1 petty cash accounts, subject to approval by the Chief Fiscal Officer of the
2 State.

3 (2) Only minor expenditures or emergency purchases shall be made
4 from petty cash accounts authorized by this subsection.

5 (b) State-supported institutions of higher education and other
6 agencies that can demonstrate the need for large petty cash accounts during
7 brief periods of time, such as student registration periods, are authorized
8 short-term petty cash accounts.

9

10 19-4-806. Voucher examination and approval – Responsibilities of state
11 agency executive administrators.

12 Each executive head of a state agency handling cash funds shall
13 establish:

14 (1) Adequate internal administrative procedures and controls to
15 ensure prompt and accurate payment of obligations to be liquidated from those
16 funds to promote good public relations and to take advantage of all available
17 discounts; and

18 (2) A system of pre-audit within his or her agency to ensure
19 that checks and vouchers, before being released by the state agency, are
20 prepared in accordance with all applicable purchasing and fiscal laws on the
21 subject by performing the following functions. He or she shall determine
22 that:

23 (A) Services, materials, supplies, and equipment received
24 comply with specifications indicated on purchase documents;

25 (B) Quantities received, as being indicated on the
26 invoice, agree with those shown on the receiving report;

27 (C) Unit prices agree with those indicated on the purchase
28 documents;

29 (D) The extensions and footings of the invoice are
30 correct;

31 (E) The voucher or check is prepared in sufficient time to
32 take advantage of all available discounts being offered;

33 (F) Sufficient legislative authorization for expenditures
34 and funds is available for payment of the obligation; and

35 (G) The obligation was incurred in conformity with all
36 purchasing and fiscal laws applicable to state agencies operating out of the

1 State Treasury.

2

3 19-4-807. Erroneous or improper payments.

4 (a) The executive head of a state agency, the bonded disbursing
5 officer, or his or her designated bonded assistant is responsible for
6 recovery of erroneous or improper payments.

7 (b) The Chief Fiscal Officer of the State is not liable under his or
8 her surety bond for any erroneous or improper payments so made.

9

10 19-4-808. Supporting documentation.

11 Requirements for supporting documentation for disbursements are
12 determined as follows:

13 (1) In connection with purchasing procedures, the Chief Fiscal
14 Officer of the State shall prescribe and define the necessary documents and
15 other evidence that shall be retained by the agency for the purpose of
16 determining whether the proper purchasing procedures have been complied with;

17 (2) In all instances in which the evidences of indebtedness are
18 represented by vendor's invoices, the agency shall retain in the permanent
19 file of the business office of the agency the original invoice and
20 corresponding documentation of actual payment in accordance with procedures
21 established by the Chief Fiscal Officer of the State;

22 (3) In connection with printing contracts, provided by the
23 Arkansas Constitution and laws of this state, the supporting documentation
24 shall be those prescribed by the Auditor of State or by the Department of
25 Finance and Administration, as appropriate;

26 (4)(A) In connection with the laws or rules governing travel,
27 when individuals are reimbursed for expenses incurred for travel in
28 connection with their official duties, the supporting papers shall be the
29 forms or statements of the expenses prescribed by the Chief Fiscal Officer of
30 the State.

31 (B) In the case of per diem or other expenses established
32 by law, the disbursing officer shall attach to the voucher issued in payment
33 of the allowances a citation of his or her authority for making the payments;

34 (5) Any indebtedness or expense incurred in connection with an
35 approved resolution of any state board or commission shall be made a part of
36 the permanent minutes of the state board or commission, and copies of the

1 resolution or minutes authorizing any indebtedness or expense shall be
2 attached to the voucher issued in payment of the indebtedness or expense; and

3 (6) In instances in which the General Assembly has authorized
4 grants to public schools, public welfare recipients, counties,
5 municipalities, and for other purposes specifically provided by law, for
6 payments made to individuals under retirement systems, and for income tax
7 refunds, the Chief Fiscal Officer of the State shall prescribe the forms of
8 the vouchers to be used and the procedure to be followed in making the
9 payments.

10
11 19-4-809. Original of supporting documentation to be retained by the
12 agency.

13 (a) The original evidences of indebtedness, including documents
14 prepared in connection with purchasing procedure, and all other original
15 contracts, invoices, statements, receipts, petty cash tickets, bank
16 statements, cancelled checks drawn upon bank accounts, and other original
17 supporting papers shall be retained in the permanent file of the business
18 office of each state agency, or attached to the office copy of the agency's
19 voucher, and the documents shall be kept in a safe place subject to audit and
20 shall not be destroyed until authorization is given for their destruction by
21 the Legislative Auditor.

22 (b) With the approval of the Legislative Auditor, a state agency may
23 retain evidences to satisfy record retention policies of indebtedness and
24 other contracts, invoices, statements, receipts, petty cash tickets, bank
25 statements, cancelled checks drawn upon bank accounts, and other supporting
26 papers by microform or a form of stored images in a computer system or other
27 form of computer technology in lieu of retaining the originals of the
28 documents.

29
30 19-4-810. Contracts for procurement of commodities and services.

31 A state agency that is authorized by law or under the purchasing
32 procedures of this state to enter into contract for the procurement of
33 property, commodities, or services shall keep on file in its respective place
34 of business a copy of the contract for public inspection or audit and shall
35 make a copy of the contract available to the Chief Fiscal Officer of the
36 State when so required by the Chief Fiscal Officer of the State.

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19-4-811. Constitutional officers and agencies.

(a) Beginning with fiscal year 2021, cash funds of the following constitutional officers and departments shall be budgeted and proposed expenditures approved by enactments of the General Assembly:

- (1) The Governor;
- (2) The Secretary of State;
- (3) The Attorney General;
- (4) The Treasurer of State;
- (5) The Auditor of State;
- (6) The Commissioner of State Lands;
- (7) The Supreme Court and its justices;
- (8) The Arkansas State Game and Fish Commission;
- (9) The Arkansas Department of Transportation;
- (10) The General Assembly; and
- (11) The respective staffs of the officers listed in this

subsection.

(b) Except cash funds whose distribution is controlled by a court order or settlement agreement, the General Assembly shall budget, approve, and appropriate expenditures of cash funds by the enactment of separate appropriation bills setting forth the purpose for which the moneys are to be expended and the dollar amount to be expended for that purpose.

(c) The constitutional officers and agencies listed in subsection (a) of this section shall submit any budgetary information requested by the Legislative Council and shall undertake whatever budgetary procedures the Legislative Council may establish for the appropriation of cash funds.

(d) The constitutional officers and agencies listed in subsection (a) of this section shall not be charged a service charge under § 19-21-106 when complying with this section.

(e) This section does not provide the General Assembly with the authority to approve expenditures of the Arkansas State Game and Fish Commission or the Arkansas Department of Transportation, which shall be subject only to review and appropriation by the General Assembly.

Subchapter 9 – Travel Rules

1 19-4-901. Rules generally.

2 The Chief Fiscal Officer of the State shall promulgate rules with
3 respect to travel and travel allowances and prescribe the forms and
4 procedures for reporting, approving, and paying such travel allowances for
5 all officers and employees of the state government or for other persons who
6 are authorized to carry out official duties in connection with the business
7 of the state.

8

9 19-4-902. Authorization for travel.

10 (a)(1) The board, commission, or administrative head in charge of each
11 state agency is responsible for authorizing travel, or any expenses in
12 connection with travel.

13 (2) Travel expenses shall not be authorized or allowed without
14 the approval of the board, commission, or administrative head of an agency.

15 (b) The administrative head of an agency shall keep on file in the
16 place of business of the agency, subject to audit, copies of all supporting
17 documents and required receipts for expenses incurred in connection with the
18 travel authorizations and allowances for persons traveling in behalf of the
19 agency.

20

21 19-4-903. Standard reimbursements and special authorizations –
22 Definitions.

23 (a)(1) Except for special authorization by the Chief Fiscal Officer of
24 the State, reimbursement for meals and lodging while traveling on official
25 business of the state shall not exceed the maximum rates as prescribed by the
26 Federal Travel Directory published by the United States General Services
27 Administration.

28 (2)(A) Requests for special authorization shall be limited to
29 those rare occasions in which unusual circumstances may cause the existing
30 rates to be inadequate and shall be set out in writing in such detail as
31 shall be required in the state travel procedures and shall be executed in
32 behalf of each individual traveler for each special authorized occasion.

33 (B) Requests for special authorization by employees of an
34 institution of higher education are subject to the approval of the chief
35 executive officer of the institution of higher education and not the
36 Department of Finance and Administration.

1 (3) Under such emergency conditions as shall be determined by
2 the Governor, the limitations of this subsection with respect to meals and
3 lodging may be waived or modified.

4 (b)(1) As used in this subsection, "state-owned motor vehicle" means a
5 motor vehicle purchased or leased by:

6 (A) The State of Arkansas;

7 (B) The office of a constitutional officer of the State of
8 Arkansas;

9 (C) A constitutionally independent agency or commission;
10 and

11 (D) A state-supported institution of higher education.

12 (2)(A) Unless otherwise provided by law, reimbursement for the
13 use of privately owned motor vehicles while traveling on official business
14 for the state shall not exceed the allowable rate of the Internal Revenue
15 Service per mile for business use of privately owned motor vehicles.

16 (B) A state agency director may authorize reimbursement
17 for travel expenses for meals, lodging, and private automobile or airplane
18 usage at amounts less than that established under the authority of this
19 section.

20 (C) The Chief Fiscal Officer of the State by rule may
21 establish procedures and the rate for reimbursing individuals for the use of
22 privately owned airplanes while traveling on official business for the state.

23 (3)(A)(i) An employee of the State of Arkansas who utilizes, but
24 whose job does not require the state employee to utilize, a state-owned motor
25 vehicle for transportation to or from his or her permanent residence from or
26 to his or her official station on a daily basis shall reimburse the fund from
27 which the operating expenses of the state-owned motor vehicle are paid at the
28 same rate authorized by the state agency director of the agency employing the
29 state employee for reimbursements for private automobile usage under
30 subdivision (b)(2)(B) of this section.

31 (ii) As used in subdivision (b)(3)(A)(i) of this
32 section, "state employee":

33 (a) Means an employee of a state agency,
34 board, commission, department, or state-supported institution of higher
35 education; and

36 (b) Includes a constitutional officer and an

1 employee of a constitutional officer.

2 (B) All state-owned motor vehicles or state-leased motor
3 vehicles shall be for official business use only.

4 (c) The Chief Fiscal Officer of the State shall promulgate rules to
5 implement this subchapter.

6

7 19-4-904. Exempt persons and agencies.

8 (a)(1) The limitations of this subchapter relating to travel rules do
9 not apply to:

10 (A) Except as provided in § 19-4-903(b), the
11 constitutional or elective officials and their employees; or

12 (B) Official guests of the state.

13 (2) This subchapter shall not be used to supersede or set aside
14 the provisions of law providing for fixed allowances, established amounts for
15 per diem, or to special travel privileges provided by law for specific
16 purposes when the allowances exceed those authorized in this subchapter.

17 (b)(1)(A) Personal reimbursement shall not be allowed to a state
18 official, state employee, or any other person traveling on official business
19 for expenses covering personal entertainment, flowers, valet service, laundry
20 and cleaning, or other personal expenses, as those expenses are defined in
21 the state travel rules.

22 (B) A state official, state employee, or any other person
23 traveling on official business shall submit his or her travel reimbursement
24 requests upon forms prescribed by the Department of Finance and
25 Administration, itemized in such detail as is necessary to carry out the
26 purposes and intent of this section.

27 (2) The tip reimbursement amount shall not exceed fifteen
28 percent (15%) of the meal amount expended.

29 (3) The total reimbursement for meals and tips shall not exceed
30 the maximum rates prescribed by the Financial Management Guide published by
31 the Office of Accounting of the Department of Finance and Administration.

32 (c) The cost of meals, lodging, and mileage of state employees who are
33 designated by a supervisor or agency director to attend official or special
34 board meetings or other functions recognized as being in the performance of
35 their official duties may be paid either as reimbursement to the state
36 employee or on direct billing, in the case of meals and lodging, subject to

1 approval of the supervisor or agency director.

2 (d) It is recognized that within the state-supported institutions of
3 higher education there exists an obligatory inherent cost of providing travel
4 expenses for a group or number of students who, when accompanied by those who
5 instruct the students in the fundamentals of a competitive sport and direct
6 team strategy, must travel and be recognized as a cohesive unit representing
7 not only their state-supported institution of higher education, but
8 exemplifying the State of Arkansas in their behavior, attitudes, interests,
9 presentation, and conduct. In these circumstances the payment of group travel
10 expenses, including those of students and employees, may be authorized as
11 follows:

12 (1) Meals and lodging;

13 (2) Transportation;

14 (3) Entertainment, within reasonable limits, to ease the
15 pressure on students of their objectives;

16 (4) Costs of group activities, including gratuities, laundry,
17 cleaning, and favors; and

18 (5) Other personal expenses to be paid only from auxiliary funds
19 not inconsistent with standards, rules, or prohibitions established by
20 recognized national or state governing associations pertaining to the
21 respective students and employees and the state-supported institutions of
22 higher education they are representing.

23

24 19-4-905. State-owned motor vehicles generally.

25 (a) All state-owned motor vehicles that are purchased under the
26 authority of the Chief Fiscal Officer of the State shall be licensed in such
27 manner so as to identify each state-owned motor vehicle as state property.

28 (b) The Chief Fiscal Officer of the State shall provide a special
29 state property license plate suitable for all state-owned motor vehicles and
30 shall establish procedures for the purpose of supplying information on all
31 state-owned motor vehicles, both those that are purchased and those that are
32 sold, traded in, or otherwise disposed of.

33 (c) The Chief Fiscal Officer of the State shall make rules for
34 obtaining the required special state property license plates and for
35 returning the special state property license plates when the state-owned
36 motor vehicles are disposed of and shall notify all state agencies of

1 procedures to be followed.

2 (d) Each agency shall pay the regular license fee for the special
3 state property license plate in the manner prescribed by the Department of
4 Finance and Administration.

5 (e) If the best interests of the state would be served by not
6 displaying a special state property license plate, such as in police work, an
7 exception to this section may be obtained only upon the written approval of
8 the Governor.

9

10 19-4-906. Motor vehicle restrictions and authorizations – Definition.

11 (a)(1) Funds appropriated for the various state agencies, authorities,
12 boards, commissions, departments, and institutions of higher education listed
13 in this section shall not be used to purchase, lease for over thirty (30)
14 days, operate, repair, or provide services for more than the maximum number
15 of passenger motor vehicles as stated in this section, except in an emergency
16 as proclaimed by the Governor.

17 (2)(A) As used in this section, “passenger motor vehicles” means
18 vehicles licensed for highway use, including without limitation automobiles,
19 trucks, and vans, that do not require a commercial driver’s license to
20 operate.

21 (B) As used in this section, “passenger motor vehicles”
22 does not include vehicles that are primarily used for purposes of providing
23 health screenings or providing health treatment.

24 (3) Mileage reimbursement for employees’ utilization of their
25 personal automobiles is not included in this restriction.

26 Item Agency, Authority, Board, 27 No. Commission, or Institution of 28 Higher Education	29 Maximum Authorized 30 Number of 31 Passenger 32 Motor Vehicles 33 in any Year
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32 (001) Arkansas Abstracters’ Board [abolished]	0
33 (002) Administrative Office of the Courts	3
34 (003) Adv. Council for Vo-Tech Education [abolished]	2
35 (004) Arkansas State Board of Chiropractic Examiners	0
36 (005) Arkansas Board of Hearing Instrument Dispensers	0

1	(006) Arkansas Board of Podiatric Medicine	0	
2	(007) Building Authority Division	22	
3	(008) Arkansas Bureau of Standards	34	
4	(009) Arkansas Cemetery Board [abolished]	0	
5	(010) Arkansas Code Revision Commission	0	
6	(011) Arkansas Commission on Law Enforcement Standards of Training		15
7	(012) Arkansas Crime Information Center	11	
8	(013) Division of Aeronautics	1	
9	(014) Division of Emergency Management	15	
10	(015) Division of Environmental Quality	57	
11	(016) Arkansas Development Finance Authority	3	
12	(017) Arkansas Economic Development Council	31	
13	(018) Arkansas Fire Protection Licensing Board	0	
14	(019) Arkansas Forestry Commission	396	
15	(020) Office of the State Geologist	18	
16	(021) Arkansas State Archives	3	
17	(022) Arkansas Livestock and Poultry Commission	81	
18	(023) Arkansas Manufactured Home Commission	3	
19	(024) Arkansas Motor Vehicle Commission	5	
20	(025) Arkansas Natural Resources Commission	8	
21	(026) Arkansas Northeastern College	26	
22	(027) Arkansas Psychology Board	0	
23	(028) Arkansas Public Employees' Retirement System	5	
24	(029) Arkansas Public Service Commission	27	
25	(030) Arkansas Real Estate Commission	3	
26	(031) Arkansas School for Mathematics, Sciences, and the Arts		14
27	(032) Arkansas School for the Blind	8	
28	(033) Arkansas School for the Deaf	14	
29	(034) Arkansas Science and Technology Authority [abolished]	1	
30	(035) Arkansas Social Work Licensing Board	0	
31	(036) Arkansas Soybean Promotion Board	0	
32	(037) Arkansas Spinal Cord Commission	3	
33	(038) Arkansas State Board of Architects, Landscape Architects, and Interior		
34	Designers	0	
35	(039) Arkansas State Board of Dental Examiners	1	
36	(040) Arkansas State Board of Landscape Architects [abolished]		0

1	(041) Arkansas State Board of Massage Therapy [abolished]	0
2	(042) Arkansas State Board of Nursing	1
3	(043) Arkansas State Board of Pharmacy	1
4	(044) Arkansas State Board of Public Accountancy	0
5	(045) Arkansas State Board of Registration for Foresters [abolished]	0
6	(046) Arkansas State Board of Registration for Professional Soil Classifiers	
7	[abolished]	0
8	(047) Arkansas State Board of Sanitaricians	0
9	(048) Arkansas State Department of Health Building Commission [abolished]	
10		0
11	(049) Arkansas State Game and Fish Commission	500
12	(050) Arkansas Department of Transportation	43
13	(051) Arkansas Department of Transportation	2,300
14	(052) Arkansas Department of Transportation – (NOAA)	0
15	(053) Arkansas State Highway Employees' Retirement System	0
16	(054) Arkansas State Library	29
17	(055) Arkansas State Medical Board	0
18	(056) Division of Arkansas State Police	725
19	(057) Arkansas State University	131
20	(058) Arkansas State University – Beebe	32
21	(059) Arkansas State University – Mountain Home	15
22	(060) Arkansas State University – Newport	26
23	(061) Arkansas State University system	9
24	(062) Arkansas Student Loan Authority [abolished]	2
25	(063) Arkansas Teacher Retirement System	4
26	(064) Arkansas Tech University	70
27	(065) Arkansas Waterways Commission	1
28	(066) Black River Technical College	14
29	(067) Board of Corrections	6
30	(068) Board of Examiners in Speech-Language Pathology and Audiology	0
31	(069) Burial Association Board [abolished]	2
32	(070) Commission on Water Well Construction [abolished]	2
33	(071) Contractors Licensing Board	1
34	(072) Cossatot Community College of the University of Arkansas	20
35	(073) Division of Arkansas Heritage	11
36	(074) Department of Corrections	254

1	(075) Department of Education	10
2	(076) Department of Finance and Administration – Alcoholic Beverage Control	
3	Division	22
4	(077) Department of Finance and Administration – Alcoholic Beverage Control	
5	Division – Administration Division	1
6	(078) Department of Finance and Administration – Management Services Division	
7		44
8	(079) Department of Finance and Administration – Racing Division	1
9	(080) Department of Finance and Administration – Revenue Division	168
10	(081) Department of Health	111
11	(082) Division of Higher Education	2
12	(083) Department of Human Services	444
13	(084) Division of Information Systems	7
14	(085) Department of Labor	9
15	(086) Department of Parks, Heritage, and Tourism	187
16	(087) Division of Workforce Services	27
17	(088) Dept. of Education – National Migrant Student Record Transfer System	
18	[abolished]	1
19	(089) Dept. of Education – Vo-Tech Division	22
20	(090) Dept. of Education – Vo-Tech Schools	280
21	(091) Dept. of Veterans Affairs and the veterans' homes	11
22	(092) Disabled Veterans Service Office	0
23	(093) East Arkansas Community College	28
24	(094) Arkansas Educational Television Commission	14
25	(095) Health Services Permit Agency	1
26	(096) Henderson State University	45
27	(097) Liquefied Petroleum Gas Board	4
28	(098) Arkansas State University Mid-South	20
29	(099) National Park College	20
30	(100) North Arkansas College	30
31	(101) Northwest Arkansas Community College	22
32	(102) Office of the Prosecutor Coordinator	0
33	(103) Oil and Gas Commission	17
34	(104) Arkansas State University Three Rivers	15
35	(105) Ozarka College	12
36	(106) Phillips Community College of the University of Arkansas	27

1	(107) University of Arkansas – Pulaski Technical College	25
2	(108) Arkansas Revenue Department Building Commission	0
3	(109) University of Arkansas Community College at Rich Mountain	16
4	(110) SAU-Tech – Camden	15
5	(111) SAU-Tech – Arkansas Environmental Training Academy	6
6	(112) SAU-Tech – Arkansas Fire Training Academy	22
7	(113) South Arkansas College	20
8	(114) Southeast Arkansas College	15
9	(115) Southern Arkansas University – Magnolia	59
10	(116) State Athletic Commission	0
11	(117) State Bank Department	22
12	(118) State Board of Barber Examiners	0
13	(119) State Board of Collection Agencies	0
14	(120) Cosmetology Technical Advisory Committee	0
15	(121) State Board of Embalmers and Funeral Directors [abolished]	0
16	(122) State Board of Licensure for Professional Engineers and Professional	
17	Surveyors	0
18	(123) State Crime Laboratory	15
19	(124) State Department for Social Security Administration Disability	
20	Determination	3
21	(125) State Insurance Department	6
22	(126) Department of the Military	20
23	(127) State Plant Board	30
24	(128) State Securities Department	5
25	(129) University of Arkansas at Fayetteville	299
26	(130) University of Arkansas at Fort Smith	39
27	(131) University of Arkansas at Little Rock	75
28	(132) University of Arkansas at Monticello	64
29	(133) University of Arkansas at Pine Bluff	78
30	(134) University of Arkansas Community College at Batesville	10
31	(135) University of Arkansas Community College at Hope-Texarkana	20
32	(136) University of Arkansas Community College at Morrilton	16
33	(137) University of Arkansas for Medical Sciences	110
34	(138) University of Central Arkansas	100
35	(139) Arkansas Veterans' Child Welfare Service	0
36	(140) Veterinary Medical Examining Board [abolished]	0

1 (141) War Memorial Stadium Commission 3
2 (142) Workers' Compensation Commission 25
3 (143) Division of Agriculture of the University of Arkansas 326
4

5 (b)(1) The General Assembly recognizes that, in some cases, motor
6 vehicles are donated to educational institutions and agencies primarily for
7 use in automotive repair and maintenance courses and in instructional
8 programs for truck operators and that such motor vehicles are not normally
9 used for other purposes by the educational institutions and agencies and
10 should not be included in the maximum number of authorized passenger motor
11 vehicles prescribed for such educational institutions and agencies in this
12 section.

13 (2)(A) Therefore, motor vehicles donated to educational
14 institutions and agencies primarily for use in programs of instruction in
15 automotive maintenance and repair, in operator training, and in related
16 instructional programs shall not be included for the purpose of determining
17 the number of passenger motor vehicles authorized for those educational
18 institutions or agencies.

19 (B) This section does not apply to motor vehicles donated
20 under subdivision (b)(2)(A) of this section.

21 (c)(1) The Department of Human Services is exempt from this section.

22 (2) The Department of Human Services may purchase vehicles
23 utilizing federal funds and the appropriate state matching funds required.
24

25 19-4-907. Motor vehicle records.

26 The Chief Fiscal Officer of the State may direct all state agencies to
27 maintain records with respect to all state-owned motor vehicles and may
28 require that the agencies file reports on the state-owned motor vehicles
29 covering the operating costs of the state-owned motor vehicles.
30

31 Subchapter 10 – Credit Cards

32

33 19-4-1001. Definition.

34 As used in this subchapter, "credit cards" means only those credit
35 cards issued to state agencies, boards, or commissions for which the state
36 agencies, boards, or commissions assume responsibility for payment.

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19-4-1002. Daily allowances, etc., not affected.

This subchapter does not change:

(1) The maximum daily allowance for meals and lodging authorized in this chapter for an individual traveling on official state business within or beyond the borders of this state; or

(2) Any special authorizations, exemptions, or limitations set forth in this chapter.

19-4-1003. Responsibility for use.

(a) The board, commission, or administrative head in charge of an agency is responsible for:

(1) Ensuring that only authorized expenditures are paid for by use of state credit cards for which the state agency assumes responsibility for payment; and

(2) The collection of any unauthorized expenditures that may occur.

(b) The Chief Fiscal Officer of the State is not liable for any unauthorized expenditures through the use of state credit cards for which the state agency assumes liability for payment.

19-4-1004. Rules – Records.

The Chief Fiscal Officer of the State shall:

(1) Promulgate rules with respect to obtaining and utilizing credit cards in payment of products and services;

(2) Prescribe the procedures for reporting, approving, and paying for products and services purchased with credit cards; and

(3) Prescribe the necessary records to be maintained and the supporting documentation to be provided with each voucher presented for payment of charges resulting from the use of credit cards.

19-4-1005. No use of other credit cards.

(a) If the Chief Fiscal Officer of the State determines it to be essential to enable an agency, board, or commission to effectively carry out its responsibilities, the Chief Fiscal Officer of the State may authorize an agency, board, or commission, or certain employees of the agency, board, or

1 commission, to use state credit cards for which the state agency, board, or
2 commission assumes liability for payment, under rules as may be prescribed by
3 the Chief Fiscal Officer of the State.

4 (b) Only credit cards approved by the Chief Fiscal Officer of the
5 State shall be used.

6
7 19-4-1006. Revolving funds for expenses.

8 (a) The Chief Fiscal Officer of the State may promulgate appropriate
9 rules authorizing state agencies, boards, commissions, and institutions of
10 higher education to establish revolving funds that shall be within such
11 limitations as the Chief Fiscal Officer of the State may prescribe or to make
12 advances of expense funds for authorized travel by officials and employees of
13 state agencies, boards, commissions, and institutions of higher education
14 whose travel is in conjunction with institutionally sponsored events or
15 programs. The advanced funds shall be reimbursed by the individual borrowing
16 the funds from moneys to the individual upon filing an authorized expense
17 account in connection with the travel.

18 (b) The rules under subsection (a) of this section may authorize the
19 state agency, board, commission, or institution of higher education to
20 require the employee to file an agreement authorizing the agency, board, or
21 commission to:

22 (1) Recover any amounts advanced for travel expense purposes
23 from the amounts claimed and allowed the employee or student as reimbursement
24 for actual expenses incurred;

25 (2) Recover any amounts advanced for travel expense purposes
26 from the next or future salary payments to the employee; or

27 (3) Add any amounts advanced for travel expense purposes to the
28 receivables account of the student.

29
30 Subchapter 11 – Approval of Expenditures

31
32 19-4-1101. Examination and approval required.

33 (a) The expenditure of all funds deposited into the State Treasury is
34 subject to examination and approval in the manner provided by this subchapter
35 before the proposed expenditure is approved for payment from the funds.

36 (b) State agency funds that are not required by law to be deposited

1 into the State Treasury are subject to the procedures as required by § 19-4-
2 801 et seq.

3 (c) In connection with an examination of the fiscal activities of an
4 agency, the Legislative Auditor may audit any of the funds of the agency.

5

6 19-4-1102. Responsibilities of executive heads of agencies.

7 The executive head of a state agency shall establish:

8 (1) Adequate internal administrative procedures and controls to
9 ensure:

10 (A) Prompt and accurate payment of obligations in order to
11 promote good public relations and to take advantage of all available
12 discounts; and

13 (B) That all financial transactions of the agency are
14 posted in the state's financial management system in accordance with
15 procedures established by the Chief Fiscal Officer of the State;

16 (2) A system of pre-audit within his or her agency to ensure
17 that checks and vouchers, before being released by the agency, are prepared
18 in accordance with all applicable purchasing and fiscal laws and rules by
19 performing the following functions. He or she shall determine that:

20 (A) Services, materials, supplies, and equipment received
21 comply with specifications indicated on purchase documents;

22 (B) Quantities received, as being indicated on the
23 invoice, agree with those shown on the receiving report;

24 (C) Unit prices agree with those indicated on the purchase
25 documents;

26 (D) The extensions and footings of the invoice are
27 correct;

28 (E) The voucher or check is prepared in sufficient time to
29 take advantage of all available discounts being offered;

30 (F) Sufficient appropriation and funds are available for
31 payment of the obligation; and

32 (G) The obligation was incurred in conformity with all
33 purchasing and fiscal laws.

34 (3) That every voucher for a proposed disbursement is approved
35 by the bonded disbursing officer of the agency issuing the voucher or by his
36 or her authorized agent;

1 (4) That an appropriation has been made to cover the proposed
2 disbursement and that there is sufficient balance remaining in the
3 appropriation account and in the fund against which it is drawn to ensure
4 that the voucher can be converted into a valid warrant;

5 (5) That the proposed disbursement has been drawn on the proper
6 voucher form and the name and address of the disbursing agency and the name
7 and address of the vendor or payee is properly identified on the voucher
8 form;

9 (6) That the proposed voucher is prepared in accordance with the
10 established general accounting procedures relating to appropriation titles
11 and codes and the proposed transactions are identified and classified in
12 accordance with the administrative rules on the subject; and

13 (7) That the voucher for the proposed disbursement is
14 accompanied by proper supporting documentation, as evidence that the
15 indebtedness has been incurred and that the amount for which the voucher is
16 written corresponds with the evidence.

17
18 19-4-1103. Duty to examine and approve.

19 (a) The Chief Fiscal Officer of the State shall design the state's
20 financial management system to provide reasonable assurances that financial
21 transactions conform to the provisions of law and rules.

22 (b)(1) The Chief Fiscal Officer of the State is not required to pass
23 upon the propriety of any financial transaction if the financial transaction
24 is found to conform to this subchapter.

25 (2) However, the Chief Fiscal Officer of the State may perform
26 examinations of financial transactions to determine the propriety of the
27 financial transactions in conformity with applicable laws and rules.

28
29 19-4-1104. Examination and approval generally.

30 (a) Before a voucher for the disbursement of funds in the State
31 Treasury is presented to the Auditor of State for the issuance of his or her
32 warrant in the payment of the voucher, the voucher shall be recorded in the
33 state's financial management system in accordance with procedures established
34 by the Chief Fiscal Officer of the State.

35 (b) The Auditor of State may perform an examination, under the
36 procedures established in this subchapter, as he or she deems advisable

1 before issuing his or her warrant in the payment of a voucher for the
2 disbursement of funds in the State Treasury.

3
4 19-4-1105. Erroneous or improper payments.

5 (a) The state agency executive head or the bonded disbursing officer,
6 or his or her designated bonded assistant is responsible for recovery of
7 erroneous or improper payments.

8 (b) The Chief Fiscal Officer of the State, the Auditor of State, or
9 the Treasurer of State is not liable under their surety bonds for any
10 erroneous or improper payments so made.

11
12 19-4-1106. Supporting documents generally.

13 Supporting documents for the disbursement of state funds shall include
14 the following:

15 (1) In connection with purchasing procedure, the Chief Fiscal
16 Officer of the State shall prescribe and define the necessary documents and
17 other evidence that shall be for the purpose of determining whether the
18 proper purchasing procedures have been complied with;

19 (2)(A) In all instances when the evidences of indebtedness are
20 represented by vendors' invoices, the agency shall retain in the permanent
21 file of the business office of the agency the original invoice and
22 corresponding documentation in accordance with procedures established by the
23 Chief Fiscal Officer of the State.

24 (B) In those instances when the daily transactions with
25 vendors are numerous, such as in the case of retail service station
26 purchases, the Chief Fiscal Officer of the State may prescribe the use of
27 monthly statements from the vendors as supporting documents for the vouchers;

28 (3) In connection with printing contracts provided for by the
29 Arkansas Constitution and laws of this state, the supporting documents shall
30 be those prescribed by the Auditor of State or by the Department of Finance
31 and Administration as appropriate;

32 (4)(A) In connection with the laws or rules governing travel,
33 when individuals are reimbursed for expenses incurred for travel in
34 connection with their official duties, the supporting papers shall be the
35 forms or statements of the expenses prescribed by the Chief Fiscal Officer of
36 the State.

1 (B) In the case of per diem or other expenses established
2 by law, the disbursing officer shall attach to the vouchers issued in payment
3 of the allowances a citation of his or her authority for making the payments;

4 (5)(A) Any indebtedness or expense incurred in connection with
5 an approved resolution of any state board or commission shall be made a part
6 of the permanent minutes of the state board or commission.

7 (B) Copies of the resolution or minutes authorizing any
8 indebtedness or expense shall be attached to the vouchers issued in payment
9 of any indebtedness or expense; and

10 (6)(A)(i) The Chief Fiscal Officer of the State shall prescribe
11 the forms of the vouchers to be used and the procedure to be followed in
12 making payments in instances when the General Assembly has authorized grants:

13 (a) To public schools, public welfare
14 recipients, counties, and municipalities;

15 (b) For other purposes specifically provided
16 for by law;

17 (c) For payments made to individuals under
18 retirement systems; and

19 (d) For income tax refunds.

20 (ii) The Chief Fiscal Officer of the State may
21 review all disbursements to determine that the disbursements are issued in
22 accordance with their respective appropriations and that there are sufficient
23 funds to cover all the payments.

24 (B) In the case of vouchers written upon the Public School
25 Fund for state equalization aid, the Auditor of State shall process warrants
26 to pay the vouchers upon certification by the Chief Fiscal Officer of the
27 State that funds are available from general revenues available for
28 distribution or from other sources for the benefit of the Public School Fund
29 with which to pay the warrants when they are presented for payment.

30 (C) In the case of payments made to welfare recipients
31 under the welfare laws of this state, the approved list of welfare recipients
32 may be certified directly to the Auditor of State, who shall approve the
33 issuance of warrants upon certification by the Chief Fiscal Officer of the
34 State that funds are available from general revenues available for
35 distribution or from other sources for the benefit of the Department of Human
36 Services Grants Fund Account of the Department of Human Services Fund with

1 which to pay the warrants when they are presented for payment.

2 (D) In the case of vouchers written upon the Arkansas
3 Public Employees' Retirement System, the Arkansas Local Police and Fire
4 Retirement System, the State Police Retirement System, the Arkansas Judicial
5 Retirement System, and the Arkansas Teacher Retirement System funds for
6 retiree benefits, the Auditor of State shall process paper or electronic
7 warrants to pay the vouchers upon certification by the Chief Fiscal Officer
8 of the State that funds are available from the Arkansas Public Employees'
9 Retirement System, the Arkansas Local Police and Fire Retirement System, the
10 State Police Retirement System, the Arkansas Judicial Retirement System, and
11 the Arkansas Teacher Retirement System funds with which to pay the warrants
12 when they are presented for payment.

13 (E) In the case of vouchers written upon the Uniform Tax
14 Rate Trust Fund, the Auditor of State shall process warrants to pay the
15 vouchers upon certification by the Chief Fiscal Officer of the State that
16 funds are available for the benefit of the Uniform Tax Rate Trust Fund with
17 which to pay the warrants when they are presented for payment.

18 (F) In the case of vouchers written upon specific funds
19 receiving federal funding, according to the Cash Management Improvement Act
20 of 1990, Pub. L. No. 101-453, Oct. 24, 1990, 104 Stat. 1058, agreement, the
21 Auditor of State shall process warrants and the Treasurer of State shall
22 redeem the warrants presented for payment upon notification by the Chief
23 Fiscal Officer of the State that the executive head of the state agency has
24 certified to the Chief Fiscal Officer of the State that:

25 (i) A federal fund transfer request has been
26 completed and accepted by the federal funding source; and

27 (ii) Federal funds will be transferred for the
28 benefit of the state fund to pay the warrants.

29
30 19-4-1107. Retention of documents.

31 (a) The original evidences of indebtedness, including documents
32 prepared in connection with purchasing procedure, and all original contracts,
33 invoices, statements, receipts, petty cash tickets, bank statements,
34 cancelled checks drawn upon bank accounts, and other original supporting
35 papers shall be retained in the permanent file of the business office of each
36 state agency. These documents shall be kept in a safe place subject to audit

1 and shall not be destroyed until authorization is given for their destruction
2 by the Legislative Auditor.

3 (b) With the approval of the Legislative Auditor, a state agency may
4 retain evidences, to satisfy record retention policies, of indebtedness and
5 other contracts, invoices, statements, receipts, petty cash tickets, bank
6 statements, cancelled checks drawn upon bank accounts, and other supporting
7 papers by microform or a form of stored images in a computer system or other
8 form of computer technology in lieu of retaining the originals of the
9 documents.

10

11 19-4-1108. Procurement contracts.

12 Each state agency that is authorized by law or under the purchasing
13 procedures of this state to enter into contracts for the procurement of
14 property, commodities, or services shall keep on file in their respective
15 places of business copies of these contracts for public inspection or audit
16 and shall make a copy of any such contract available to the Chief Fiscal
17 Officer of the State when so required by him or her.

18

19 Subchapter 12 – Disbursement of Public Funds

20

21 19-4-1201. Disbursing officers.

22 (a) For the purpose of compliance with this subchapter, the following
23 are designated as disbursing officers:

24 (1) The executive head of each state department;

25 (2) The executive head, or superintendent, of each state
26 institution; and

27 (3) The executive secretary of each board or commission having
28 such an officer.

29 (b) The board having charge of any institution may designate any other
30 full-time employee to act instead of the executive head, and the executive
31 head of any other agency may designate any other full-time employee to act in
32 his or her stead.

33 (c) Disbursing officers under this section shall furnish bond to the
34 state in the manner provided by law.

35

36 19-4-1202. Designation of disburser.

1 (a) If appropriations are made available to a state agency or to a
2 nongovernmental agency or activity and no disbursing officer is provided for
3 by law, the Chief Fiscal Officer of the State and the Auditor of State shall
4 designate a person to act as disbursing officer and fix the amount of bond
5 for such purposes.

6 (b) If the General Assembly enacts legislation that provides for more
7 than one (1) disbursing officer from a fund or fund account and there are
8 insufficient funds available to finance all appropriations made therein, the
9 Chief Fiscal Officer of the State shall certify the amount of funds and
10 appropriations to be made available for each disbursing officer.

11
12 19-4-1203. Disbursing agents.

13 If the executive head of a state agency designates a full-time employee
14 to act as his or her agent in the disbursement of funds under his or her
15 control, then that agent may act without furnishing additional bond if the
16 executive head of the agency notifies the Chief Fiscal Officer of the State
17 and the Auditor of State in writing of the designation.

18
19 19-4-1204. Bond required.

20 (a) The disbursement of funds in the State Treasury, of federal funds
21 granted to the state or to a state agency, of bank funds of a state agency,
22 of trust funds of a state agency, or of any other special funds belonging to
23 a state agency shall be done only by a bonded official or bonded employee in
24 the manner prescribed by law.

25 (b) Each disbursing officer or disbursing agent shall furnish bond in
26 the penal sum required by law or, in the absence of any law on the subject,
27 in an amount fixed by the Chief Fiscal Officer of the State and the Auditor
28 of State with a corporate surety company authorized to do business in this
29 state and conditioned upon the faithful performance of his or her duties and
30 for the proper accounting for all funds received and disbursed by him or her.

31
32 19-4-1205. Signature or facsimile.

33 (a) The original copy of all checks drawn in connection with the
34 disbursement of public funds for which the disbursing officer is responsible
35 shall bear the manual signature of the disbursing officer or his or her
36 authorized agent, or may contain or bear a mechanically produced facsimile

1 signature of the disbursing officer or his or her authorized agent.

2 (b) When the Chief Fiscal Officer of the State has determined that the
3 executive head of a state agency has established adequate internal
4 administrative procedures and controls pursuant to law, and that
5 determination has been made only after the Chief Fiscal Officer of the State
6 has consulted with the Legislative Auditor, the Chief Fiscal Officer of the
7 State may grant an exemption from manual signatures to allow for a computer-
8 produced digitized signature of the disbursing officer or his or her
9 authorized agent.

10
11 19-4-1206. Duties generally.

12 (a) The bonded disbursing officer for each state agency or the bonded
13 disbursing officer for a regular or special fund provided for by the General
14 Assembly is responsible and held accountable for the proper expenditure of
15 the funds under his or her control.

16 (b) Each disbursing officer or agent shall:

17 (1) Keep advised as to the availability of the appropriations
18 and funds for which he or she is the disbursing officer and be informed as to
19 the legality of and authority for any obligations that may be incurred before
20 any disbursements are made;

21 (2) Keep advised as to the laws or administrative rules relating
22 to general accounting procedures and restrictions for the disbursement of
23 funds; and

24 (3) Certify that:

25 (A) Any disbursements that he or she may make are in
26 accordance with the terms of any applicable contracts, purchasing procedure,
27 or other authority;

28 (B) The services have been performed or the goods
29 received; and

30 (C) The vendor or payee is entitled to the amount set
31 forth in the check or voucher.

32
33 19-4-1207. Duty to monitor finances.

34 The executive head of the agency for which appropriations are
35 authorized and the agency's disbursing officer shall:

36 (1) Be cognizant at all times of the resources available,

1 including applicable fund balances, revenues, and other income, for financing
2 the appropriations authorized by the General Assembly;

3 (2) See that no obligations are incurred that cannot be lawfully
4 discharged from funds appropriated or available from other sources when they
5 become due and payable; and

6 (3) Not operate the agency during any fiscal year from the then-
7 current fiscal year's available resources at a level of operations that would
8 require for the succeeding fiscal year funds in addition to those already
9 authorized by the General Assembly.

10
11 19-4-1208. Compliance with other laws.

12 The disbursement of funds authorized by the General Assembly are
13 limited to the appropriations and the funds made available for the support of
14 the appropriations. The restrictions of the Arkansas Procurement Law, § 19-
15 61-101 et seq., the Uniform Classification and Compensation Act, § 21-5-201
16 et seq., the Revenue Stabilization Law, § 19-20-101 et seq., and rules
17 promulgated by the Department of Finance and Administration authorized by law
18 shall be strictly complied with in the disbursement of the funds.

19
20 19-4-1209. Revenues insufficient to meet appropriations.

21 (a) The disbursements of funds are subject to the controls of the
22 procedures authorized by this subchapter, other acts of the General Assembly,
23 and rules established by the Department of Finance and Administration.

24 (b) If during any fiscal year the governmental revenues available to
25 the state or a state agency are not sufficient to cover the appropriations
26 made by the General Assembly from the revenues, then:

27 (1) The bonded disbursing officer for each agency is responsible
28 and held accountable for the incurring of any obligations and disbursements
29 of any funds in behalf of the agency for which he or she acts as disbursing
30 officer. He or she shall keep advised as to the amount of governmental
31 revenues available for the operation of his or her agency. Each disbursing
32 officer is prohibited from incurring any obligations in excess of the funds
33 made available by this chapter and other laws providing revenues for any such
34 agency, and the disbursing officer is subject to the restrictions and
35 limitations of this chapter;

36 (2) The Chief Fiscal Officer of the State shall exercise the

1 powers of his or her office to enforce the fiscal laws of the state to
2 prohibit deficit spending and to promulgate rules that will require that all
3 agencies comply with the fiscal laws.

4 (3)(A) The Chief Fiscal Officer of the State may require,
5 whenever he or she deems necessary, a financial report from any agency.

6 (B) If a financial report or any other available
7 information of an agency that has appropriated funds or an agency that has
8 both state and bank funds reveals that the agency is in financial distress,
9 then the Chief Fiscal Officer of the State may direct that all of the funds
10 of the agency, including any bank funds, are subject to approval under this
11 chapter;

12 (4) If during any year it is determined that the proposed
13 disbursements exceed the amount approved for that year, then, upon direction
14 of the Chief Fiscal Officer of the State, necessary reductions in proposed
15 disbursements shall be made;

16 (5) If, in accomplishing the necessary reductions in
17 disbursements, it is required to reduce the salaries of employees, the
18 reductions shall be made in proportion to existing salaries, and the
19 reductions shall be made in the salaries of all employees, including
20 administrators and directors;

21 (6) The Chief Fiscal Officer of the State shall withhold all
22 distributions of special and general revenues as prescribed in this chapter
23 and in the Revenue Stabilization Law, § 19-20-101 et seq., at any time that a
24 state agency fails to comply with the restrictive provisions of this chapter;
25 and

26 (7)(A) The creditors of an agency have first consideration in
27 connection with disbursement of the funds of the agency.

28 (B) If the funds of an agency become depleted to an extent
29 that the creditors cannot be paid from funds on hand or that will become
30 available during the same fiscal year, the Chief Fiscal Officer of the State
31 shall direct the agency to stop incurring obligations until the funds on hand
32 and the funds estimated to become available are sufficient to meet all the
33 obligations.

34
35 Subchapter 13 – Monitoring for Deficit Spending
36

1 19-4-1301. Legislative intent and purpose.

2 (a) This subchapter is an addition to the General Accounting and
3 Budgetary Procedures Law, § 19-4-101 et seq., and other fiscal laws of this
4 state. This subchapter is enacted for the purpose of imposing additional
5 duties and responsibilities upon the Chief Fiscal Officer of the State to
6 monitor state expenditures and financial obligations in order to assure that
7 all state agencies, programs, and services plan and use the funds provided or
8 made available for the support of the essential services of government within
9 their respective jurisdictions. This monitoring shall be done without
10 incurring obligations or commitments that would exhaust the available funds
11 within a time frame of less than twelve (12) months or that would create
12 deficits.

13 (b) The General Assembly is cognizant of the economic recession that
14 has reduced the growth of state revenues that are available for the operation
15 of many of the programmed commitments or expansions of services of
16 government. By this subchapter the General Assembly intends to strengthen the
17 responsibilities and duties of the Chief Fiscal Officer of the State to
18 provide for the planned and orderly, yet rigid, enforcement of the various
19 laws of this state designed to protect against deficit spending.

20 (c) It is further the intent and purpose of this subchapter to mandate
21 that all public officials, administrators, and employees charged with the
22 responsibility of administering and disbursing state funds be held strictly
23 accountable for the administration of the programs under their jurisdiction.
24 Those officials, administrators, and employees shall periodically reevaluate
25 and modify, if necessary, the various programs and services under their
26 respective jurisdiction to assure the orderly providing of the greatest
27 possible level of essential services and programs on a regular twelve-month
28 basis, within the limitation of the funds available.

29 (d) The General Assembly further recognizes that many agencies may
30 have to evaluate and curtail projected or planned program expansions. Many
31 agencies may also have to exercise options to reduce the levels of existing
32 services or program commitments to keep the projected expenditures for the
33 programs or services within the limitations of funds estimated to be
34 available for the programs or services, as provided in this subchapter. It is
35 the intention of the General Assembly that each state agency review its
36 ongoing obligations and services and make the necessary adjustments to

1 provide the greatest possible level of essential services commensurate with
2 the funds available on a year-round, twelve-month basis.

3
4 19-4-1302. Provisions supplemental.

5 This subchapter is supplemental and in addition to the fiscal laws of
6 this state and repeals only those laws and parts of laws that are
7 specifically in conflict with this subchapter.

8
9 19-4-1303. Exemptions.

10 Funds disbursed by the Arkansas Department of Transportation, the
11 Arkansas State Game and Fish Commission, and the Office of the Arkansas
12 Lottery and the funds appropriated in the general appropriation bill provided
13 for in Arkansas Constitution, Article 5, § 30, are exempt from this
14 subchapter.

15
16 19-4-1304. Failure to conform to directives and mandates.

17 (a) If a state agency fails or refuses to conform to the directives
18 and mandates of the Chief Fiscal Officer of the State to restrict or curtail
19 its financial obligations or program commitments as intended by this
20 subchapter, the executive head of the agency or members of the board or
21 commission responsible for the agency may be guilty of misfeasance in office
22 or employment and may be removed from office by appropriate legal
23 proceedings.

24 (b) The fact that it may be necessary for an agency to reduce existing
25 levels of services to conform to orders or directives of the Chief Fiscal
26 Officer of the State, as intended by this subchapter, is not lawful
27 justification for failure to conform to the orders or directives.

28
29 19-4-1305. Failure to perform duties.

30 If the Chief Fiscal Officer of the State fails to perform his or her
31 duties as mandated under this subchapter and within the time limitations set
32 forth in this subchapter, he or she is guilty of misfeasance of his or her
33 office and may be removed from office in the manner provided by law.

34
35 19-4-1306. Procedures for monitoring agency expenditures and fiscal
36 operations.

1 (a) In addition to the powers and duties provided under this chapter
2 and other fiscal laws of the state, the Chief Fiscal Officer of the State
3 shall invoke additional procedures to assure that all state agencies are
4 operated on a planned and orderly basis of essential services within the
5 limitations of funds available.

6 (b) In furtherance of the purposes of this subchapter, the Chief
7 Fiscal Officer of the State shall institute the following additional
8 procedures and controls:

9 (1)(A) At least thirty (30) days before the commencement of each
10 fiscal year, the Chief Fiscal Officer of the State shall make studies for the
11 purpose of estimating the anticipated amount of general and special revenues
12 to be made available for distribution under the Revenue Stabilization Law, §
13 19-20-101 et seq., and for the support of agencies that derive their support
14 from special revenues, for the fiscal year or the fiscal quarter, or for any
15 calendar month if he or she deems it necessary. In addition, the Chief Fiscal
16 Officer of the State shall compute the estimated amount of general revenues
17 that will be available for distribution to the respective State Treasury
18 accounts in accordance with the respective percentage distributions of
19 general revenues authorized under the Revenue Stabilization Law, § 19-20-101
20 et seq.

21 (B) Each executive head of an agency responsible for
22 administering special revenues or federal funds shall notify the Chief Fiscal
23 Officer of the State of any unusual events that would adversely affect the
24 estimate of the moneys received upon which the agency is operating. The
25 notification shall be given immediately upon knowing of the existence of
26 those events by the executive head of the agency;

27 (2) Upon completion of revenue estimates for each fiscal year or
28 each fiscal quarter, or monthly if deemed necessary, the Chief Fiscal Officer
29 of the State shall prepare schedules reflecting the estimated amount of
30 general revenues to be available for distribution to the State Treasury funds
31 and accounts for each of the agencies that share in the distribution of
32 general revenue funds of the state, either in whole or in part. In addition,
33 the Chief Fiscal Officer of the State may require the preparation of
34 estimates from the administering agency or prepare estimates of the
35 anticipated amount of special revenues to be available for distribution to
36 those agencies that receive support from special revenues, from both general

1 and special revenues, or from cash funds or other sources;

2 (3)(A) After preparing the estimates and schedules for each
3 fiscal year, fiscal quarter, or month, the Chief Fiscal Officer of the State
4 shall review the annual operations budgets of each agency.

5 (B) The Chief Fiscal Officer of the State shall institute
6 controls that he or she deems necessary to modify or restrict the level of
7 approved expenditures that may be incurred by each agency to assure that
8 sufficient funds will be available to maintain a minimum level of essential
9 services and programs by each agency without undue interruption or
10 curtailment of the level of programs and essential services provided for any
11 extended period during each fiscal year or that might create circumstances
12 that would institute deficit spending to meet the obligations or services in
13 excess of the funds available for the support thereof, as provided by law;
14 and

15 (4) If in reviewing the annual operations budgets of a state
16 agency, the Chief Fiscal Officer of the State determines that the level of
17 operations of the agency or the projected commitment of the agency is being
18 operated in a manner that would impose serious curtailment of essential
19 services or would create circumstances of deficit spending, then he or she
20 shall immediately notify the executive head of the agency responsible for the
21 operation of the services as to the curtailments and controls that should be
22 instituted to bring the level of operations or services within the necessary
23 fiscal restraints recommended by the Chief Fiscal Officer of the State.

24 (c) The Chief Fiscal Officer of the State shall furnish a copy of each
25 directive issued under subdivision (b)(4) of this section to the Governor, to
26 the Legislative Council, and to the Legislative Joint Auditing Committee.

27
28 Subchapter 14 – Construction of Buildings and Facilities

29
30 19-4-1401. Notice required.

31 (a) In all instances in which the state has an interest in
32 construction work requiring bids, the notice provisions of §§ 22-9-201 – 22-
33 9-204 shall be complied with and observed.

34 (b) This subchapter does not amend or repeal §§ 22-9-201 – 22-9-204,
35 except those emergency procedures provided by §§ 22-9-201 – 22-9-204.

36

1 19-4-1402. Contracts to be filed.

2 (a) Executed counterparts of all contracts entered into by a state
3 agency with respect to proposed projects for new improvements or major
4 repairs or additions to existing buildings and facilities shall be approved
5 by and filed with the Building Authority Division before the issuance of any
6 vouchers making payments under the contract, unless the contract is exempted
7 from the jurisdiction of the Building Authority Division by a law or a rule
8 promulgated under the Arkansas Administrative Procedure Act, § 25-15-201 et
9 seq.

10 (b)(1) The boards of trustees of the University of Arkansas, Arkansas
11 State University, University of Central Arkansas, Henderson State University,
12 Arkansas Tech University, and Southern Arkansas University, respectively, are
13 exempt from the requirements of this section requiring the filing of the
14 contracts with the Building Authority Division.

15 (2) The governing boards of all other public institutions of
16 higher education shall be exempt from the requirement for approval and filing
17 of the contracts with the Building Authority Division:

18 (A) Upon approval of the Division of Higher Education; and

19 (B) If, before granting approval, the Division of Higher
20 Education has reviewed and approved policies and procedures adopted by the
21 governing boards of the public institutions of higher education with respect
22 to bidding and construction of capital improvement projects.

23 (3) This section does not prevent a public institution of higher
24 education exempt under this subsection from entering into an agreement with
25 the Building Authority Division to file its contracts with the Building
26 Authority Division.

27 (c)(1) All contracts for new improvements or major repairs or
28 additions to existing buildings and facilities under this subchapter shall
29 include a project disclosure statement prepared by the agency, board,
30 commission, or public institution of higher education.

31 (2) The disclosure statement shall provide the estimated
32 timeline, scope, and cost of the total project.

33 (3) The disclosure statement shall not be construed as
34 authorizing:

35 (A) Additional work that is beyond the scope of the bid
36 documents; or

1 (B) Payment exceeding the contract amount.

2 (d) This section does not prohibit an agency, board, commission, or
3 public institution of higher education from executing contract amendments.

4

5 19-4-1403. Agencies exempted.

6 This subchapter does not apply to the State Highway Commission and the
7 Arkansas Department of Transportation.

8

9 19-4-1404. Forces employed.

10 (a)(1) If an agency of the state determines to construct buildings and
11 facilities or to make repairs or additions to existing buildings and
12 facilities and there are funds available for these purposes, then the agency
13 may undertake the project by the employment and use of its own forces, or by
14 contract, or in part by its own forces and in part by contract, all as in the
15 opinion of the agency is in the best interest of the state.

16 (2) The agency may employ architects for the purposes stated
17 under subdivision (a)(1) of this section.

18 (b) This section does not apply to a city, town, county, or school
19 district within this state.

20

21 19-4-1405. Bidding procedure – Definition.

22 (a)(1) After a state agency has caused the preparation and has
23 approved plans and specifications, the state agency shall then proceed to
24 advertise for bids for the contemplated work by the publication of notice one
25 (1) time each week for not less than two (2) consecutive weeks for projects
26 over the amount of fifty thousand dollars (\$50,000), and shall proceed to
27 advertise for bids one (1) time each week for not less than one (1) week for
28 projects more than the quote bid and less than or equal to fifty thousand
29 dollars (\$50,000).

30 (2) The notice under subdivision (a)(1) of this section shall:

31 (A)(i) Be published in a newspaper of general circulation
32 published in the county in which the proposed improvements are to be made or
33 in a trade journal reaching the construction industry.

34 (ii) The last publication in the newspaper shall be
35 not less than one (1) week before the date on which the bids are to be
36 received.

- 1 (B) Provide for the receipt of sealed bids;
2 (C) Set forth the time and place in which the bids will be
3 received;
4 (D) Specify from whom copies of the plans and
5 specifications and a draft of the proposed contract may be obtained for
6 examination;
7 (E) Contain the amount of the bid security; and
8 (F) Contain such other information and requirements as, in
9 the opinion of the state agency, may be necessary or desirable.

10 (b)(1) On the date and time fixed in the notice, the state agency
11 shall open, tabulate, and compare bids, and award the contract to the lowest
12 responsible bidder.

13 (2) However, the state agency shall have the right to reject any
14 bids and to waive any formalities.

15 (c)(1) The successful bidder shall be required to furnish bonds to the
16 State of Arkansas, with corporate guaranty or indemnity sureties on the
17 bonds.

18 (2)(A) The bonds shall be both for the completion of the
19 construction free of all liens and encumbrances, in an amount fixed by the
20 Building Authority Division, and for the protection of the state agency and
21 the state agency's members against all liability for injury to persons or
22 damage to, or loss of, property arising, or claimed to have arisen, in the
23 course of the work project, within limits fixed by the division.

24 (B) However, for projects undertaken by public
25 institutions of higher education, the bonds shall be in an amount and within
26 limits fixed by the governing board of the public institution of higher
27 education.

28 (d)(1)(A) Every bid submitted on state agency construction contracts
29 for projects over the amount stated in § 22-9-203 is void unless accompanied
30 by a cashier's check drawn upon a bank or trust company doing business in
31 this state or by a corporate bid bond and the agent's power of attorney as
32 his or her authority.

33 (B) Bid security is not required for projects under or
34 equal to the amount stated in § 22-9-203.

35 (2) The bid security shall indemnify the public against failure
36 of the contractor to execute and deliver the contract and necessary bonds for

1 faithful performance of the contract.

2 (3) The bid security shall provide that the contractor or surety
3 must pay the damage, loss, cost, and expense subject to the amount of the bid
4 security directly arising out of the contractor's default in failing to
5 execute and deliver the contract and bonds.

6 (4) Liability under this bid security shall be limited to five
7 percent (5%) of the amount of the bid.

8 (e)(1)(A) When it is obvious from examination of the bid document that
9 it was the intent of a bidder to submit a responsive bid and because of a
10 scrivener's error, the bid, if accepted, would create a serious financial
11 loss to the bidder, the Secretary of the Department of Transformation and
12 Shared Services may relieve the bidder from responsibility under his or her
13 bond and may reject the bid.

14 (B) However, for projects undertaken by public
15 institutions of higher education exempt from review and approval of the
16 division, the chief executive officer of the public institution of higher
17 education or his or her designee may relieve the bidder from responsibility
18 under his or her bond and may reject his or her bid in the same manner and
19 within the same period as allowed by the division.

20 (2) As used in this section, "scrivener's error" means:

21 (A) An error in the calculation of a bid which can be
22 documented by clear and convincing written evidence and which can be clearly
23 shown by objective evidence drawn from inspection of the original work
24 papers, documents, or materials used in the preparation of the bid sought to
25 be withdrawn; and

26 (B) In the case of a bid sought to be withdrawn, the bid
27 was submitted in good faith and the mistake was due to a calculation or
28 clerical error, an inadvertent omission, or a typographical error as opposed
29 to an error in judgment.

30 (3)(A) To receive relief under subdivision (e)(1) of this
31 section, the bidder must serve written notice to the secretary or to the
32 chief executive officer or his or her designee of a public institution of
33 higher education exempt from review and approval of the division any time
34 after the bid opening, but no later than seventy-two (72) hours after
35 receiving the intent to award, excluding Saturdays, Sundays, and holidays.

36 (B) Failure to make a withdrawal request within seventy-

1 two (72) hours shall constitute a waiver by the bidder of the bidder's right
2 to claim that the mistake in his or her bid was a scrivener's error.

3 (4) If the secretary or the chief executive officer or his or
4 her designee of a public institution of higher education exempt from review
5 and approval of the division has relieved the bidder from responsibility
6 under his or her bond, action on the remaining bids should be considered as
7 though the withdrawn bid had not been received.

8 (f)(1) A state agency shall not require in plans or specifications
9 that a bidder or supplier:

10 (A) Hold membership in any professional or industry
11 associations, societies, trade groups, or similar organizations;

12 (B) Possess certification from any professional or
13 industry associations, societies, trade groups, or similar organizations as
14 steel building fabricators; or

15 (C) Be endorsed by any professional or industry
16 associations, societies, trade groups, or similar organizations.

17 (2) However, plans and specifications may include or reference
18 standards adopted by professional or industry associations, societies, trade
19 groups, or similar organizations.

20
21 19-4-1406. Method of financing.

22 (a) Before a state agency enters into a contract of employment with an
23 architect or takes any other affirmative action toward the construction or
24 financing of a project as provided in this subchapter, it shall submit to the
25 Chief Fiscal Officer of the State, in writing, a summary statement setting
26 forth:

27 (1) A general description of the proposed project;

28 (2) Its estimated overall costs; and

29 (3) The method it proposes to use to finance its cost, which
30 shall be a method of financing that must be approved by the Governor.

31 (b)(1) After examining the method of financing and making such
32 investigation as he or she shall deem necessary or advisable, the Chief
33 Fiscal Officer of the State shall notify the agency, in writing, of his or
34 her and the Governor's approval or disapproval of the method of financing the
35 project.

36 (2) In the event of disapproval by the Chief Fiscal Officer of

1 the State and the Governor under subdivision (b)(1) of this section, the
2 agency may submit an alternate plan of financing the project.

3 (3) In any event, affirmative action shall not be taken by the
4 agency until a method of financing is approved by the Governor and the Chief
5 Fiscal Officer of the State under subdivision (b)(1) of this section.

6 (4) The Chief Fiscal Officer of the State may not pass upon the
7 need for any construction of a project as provided in this subchapter, as
8 such authority is vested solely in the agency.

9 (c)(1) The method of financing as required by this subchapter shall
10 include estimated dates for commencing and completing the project.

11 (2) After the contracts for the project have been awarded, then
12 the method of financing shall be amended to include the estimated dates of
13 completion in accordance with the awarded contracts.

14
15 19-4-1407. Matching funds.

16 (a) If funds provided by the state for projects regulated in this
17 subchapter are subject to matching provisions, the Chief Fiscal Officer of
18 the State shall require in the proposed method of financing that all of the
19 funds or approved grants available for the proposed project, including state,
20 federal, and agency funds, shall be considered in connection with preliminary
21 planning and the awarding of contracts in connection with the project.

22 (b) In those instances in which construction projects utilize funds
23 other than those deposited into the State Treasury, the Chief Fiscal Officer
24 of the State shall prescribe the procedure for payments from all other funds
25 made available to the agency.

26
27 19-4-1408. Use of other funds.

28 (a)(1) A state agency for which appropriations have been made by the
29 General Assembly for construction and improvements shall not make any
30 contract or incur any indebtedness payable from those appropriations until
31 there are sufficient funds on hand or, in the case of federal grants, until
32 the grant has received final approval from the granting federal agency for
33 the benefit of the state agency to pay for the proposed obligations under the
34 contracts.

35 (2) An agency may accept and use grants and donations and use
36 the agency's unobligated cash income and other funds available to the agency

1 to supplement appropriations for construction purposes.

2 (b) The appropriations and funds otherwise provided by the General
3 Assembly for personal services, maintenance, and general operation of the
4 agency shall not be used in connection with any proposed construction
5 projects for which specific appropriations have been made by the General
6 Assembly.

7

8 19-4-1409. Completion of contracts.

9 Upon completion of each contract awarded for the fulfillment of a
10 project authorized by the General Assembly:

11 (1) The affected state agency shall notify the Department of
12 Finance and Administration of the culmination of the contract;

13 (2) No further expenditures or obligations shall be incurred;
14 and

15 (3) The unexpended and unobligated funds shall be impounded.

16

17 19-4-1410. Processing of payments.

18 (a)(1) When a contractor submits a properly prepared request for
19 payment of work completed on state construction projects and the request for
20 payment conforms with the provisions of the contract award and laws of the
21 State of Arkansas, the following maximum time is allowed for the processing
22 of the payment requests by the various parties involved, excluding time
23 required for transmittal from one (1) party to another:

24 (A) A design professional – five (5) working days;

25 (B) A state agency or institution of higher education
26 exempt from review and approval by the Building Authority Division – five (5)
27 working days, including preparation of a voucher and submission for payment;
28 and

29 (C) The Department of Finance and Administration – five
30 (5) working days.

31 (2) If payment is contested by any of the parties listed in this
32 subsection, it shall be the responsibility of the parties contesting the
33 payment, within the time specified for processing payment, to notify the
34 contractor involved that payment has been contested and reasons for
35 contesting the payment.

36 (3) If any of the parties listed in this subsection fails to

1 properly process uncontested requests for payments within the time limits
2 specified following date of receipt, a penalty of eight percent (8%) per
3 annum of the amount of the request for payment shall be assessed against the
4 parties responsible for the delay.

5 (b)(1) The Chief Fiscal Officer of the State shall establish
6 procedures for monitoring payments to contractors. When it has been
7 determined that payment processing has exceeded the time limits established
8 in this section, the Chief Fiscal Officer of the State shall cause an
9 investigation to be made for the purpose of determining the responsible
10 parties and the amount of penalty to be paid.

11 (2) Penalties assessed for failure to comply with this section
12 shall be paid to the contractor by the parties responsible in accordance with
13 procedures established by the Chief Fiscal Officer of the State.

14

15 19-4-1411. Fund balances.

16 (a) If, after the expiration date of the second biennial period for
17 which funds have been appropriated for the benefit of any specific capital
18 improvement project, there remains a balance of funds or appropriations, then
19 such fund balances as may remain in the Development and Enhancement Fund for
20 the benefit of the capital improvement project shall be reallocated for the
21 benefit of proposed new or existing capital improvement projects of the
22 various state agencies as may be enacted.

23 (b) This section does not limit the authority of the General Assembly
24 to appropriate funds for the benefit of any proposed new or existing capital
25 improvement project of the various state agencies.

26

27 19-4-1412. Projects constructed with private funds.

28 (a) If funds from private sources are provided to a public institution
29 of higher education for projects that exceed five million dollars
30 (\$5,000,000) regulated in this subchapter sufficient to finance at least
31 eighty percent (80%) of the estimated cost of the proposed project, excluding
32 the cost of land, this subchapter and all other provisions of the Arkansas
33 Code governing construction of public facilities, including without
34 limitation §§ 22-9-101 and 22-9-103 and §§ 22-9-201 – 22-9-212, shall not be
35 applicable to such projects, subject to the following:

36 (1)(A) The governing board of the public institution of higher

1 education shall have adopted a resolution and procedure that shall:

2 (i) Set forth the method by which the architect,
3 engineer, construction manager, contractor, and major subcontractors are to
4 be selected for the project;

5 (ii) Include by appropriate public notice and
6 solicitation the opportunity for qualified, licensed professionals to submit
7 proposals and assure the design and completion of the project in an
8 expeditious manner while adhering to high standards of design and
9 construction quality; and

10 (iii) Require a payment and performance bond in an
11 amount determined by the governing board and provide for the manner in which
12 the construction shall be managed and supervised.

13 (B) In selecting a contractor and other professionals for
14 the projects, the governing board of the public institution of higher
15 education shall consider the experience of the person or firm in constructing
16 similar projects, the record of the person or firm in timely completion of
17 such projects, and other similar matters to assure that the person or firm
18 will complete the project within the time and to the specifications set by
19 the governing board of the public institution of higher education;

20 (2)(A) Before the public institution of higher education enters
21 into a contract with an architect, engineer, construction manager, or
22 contractor for the design, construction, or financing of any project financed
23 from private funds as provided in this section, the public institution of
24 higher education shall submit to the Chief Fiscal Officer of the State and
25 the Legislative Council, in writing, a summary statement setting forth a
26 general description of the proposed project, its estimated overall cost, and
27 the method proposed to finance the cost, including a description of the
28 sources and amount of private funds.

29 (B) The Chief Fiscal Officer of the State may forward a
30 copy of this statement to the Building Authority Division, the Secretary of
31 the Department of Transformation and Shared Services, and the Governor for
32 information; and

33 (3) To enable a public institution of higher education to
34 qualify under this subsection, the private funds shall be paid to the public
35 institution of higher education or to a fund or foundation for the benefit of
36 the public institution of higher education, and such funds may be represented

1 in whole or in part by a written pledge or commitment from a donor, if the
2 public institution of higher education assures itself of the financial
3 stability of the donor to fulfill the pledge or commitment.

4 (b) Notwithstanding anything in this section to the contrary, § 19-4-
5 1405(f), §§ 22-9-401 – 22-9-404, § 22-9-501 et seq., § 22-9-601 et seq., and
6 § 22-9-701 et seq. shall remain in full force and effect and shall not be
7 affected by this section.

8
9 19-4-1413. Projects exceeding five million dollars.

10 (a) If funds from any sources are provided to state agencies for
11 projects that exceed five million dollars (\$5,000,000), excluding the cost of
12 land, this subchapter and all other provisions of the Arkansas Code governing
13 construction of public facilities, including without limitation § 22-9-201 et
14 seq., at the election of state agencies or the institutions of higher
15 education set forth in subdivision (b)(5) of this section shall not be
16 applicable to the projects if the selection and contracting process set forth
17 in this section is followed.

18 (b)(1) A contract for projects between the state agency and the
19 construction manager, general contractor, architect, or engineer shall not be
20 entered into without first obtaining approval of the Building Authority
21 Division and review by the Legislative Council.

22 (2) The division shall have involvement in the selection and
23 contract process from the project inception.

24 (3) There shall be separate contracts for design and
25 construction services.

26 (4) The division may promulgate rules pertaining to the process
27 for awarding and overseeing the contracts.

28 (5) The Board of Trustees of the University of Arkansas and the
29 Board of Trustees of the Arkansas State University System are exempt from
30 review and approval by the division and any rules promulgated by the
31 division, if the Board of Trustees of the University of Arkansas and the
32 Board of Trustees of the Arkansas State University System have adopted
33 policies and procedures involving the awarding and oversight of the contracts
34 for design and construction services.

35 (6) All procedures pertaining to the contracts shall provide, to
36 the extent practicable, substantial uniformity between institutions of higher

1 education with respect to the policies and procedures to be followed.

2 (c)(1) For all projects contemplated or contracted for, the division
3 shall:

4 (A) Review and approve the advertisement as stated in
5 subsection (d) of this section, the scope of work, the site selection,
6 funding review, and, to the extent available, all project drawings, plans,
7 and specifications before solicitation of proposals for the project;

8 (B) Conduct on-site observations of the construction
9 project on a regular basis and maintain project records; and

10 (C)(i) Review and approve all contract amendments.

11 (ii) State agencies shall submit a summary of all
12 contract amendments to the Legislative Council.

13 (2)(A) The institutions of higher education stated in
14 subdivision (b)(5) of this section shall perform all duties and
15 responsibilities stated in subdivision (c)(1) of this section under policies
16 and procedures adopted by their governing boards.

17 (B) Institutions of higher education shall submit a
18 summary of all contract amendments to the Legislative Council.

19 (d)(1) The selection procedures for the construction manager, general
20 contractor, architect, or engineer shall provide for solicitation for
21 qualified, licensed professionals to submit proposals.

22 (2) The procedures shall assure the design and completion of the
23 project in an expeditious manner while adhering to high standards of design
24 and construction quality.

25 (3) The state agency and each institution of higher education
26 stated in subdivision (b)(5) of this section shall:

27 (A) Publish notice of its intention to receive written
28 proposals three (3) consecutive days in a newspaper of statewide
29 distribution;

30 (B) Allow a minimum of ten (10) working days for the
31 professionals to send letters or resumes in response to newspaper
32 advertisement; and

33 (C) Provide additional means of notification, if any, as
34 the state agency or institution of higher education stated in subdivision
35 (b)(5) of this section determines is appropriate.

36 (e)(1)(A) A preselection committee, which shall be composed of no more

1 than three (3) members from the state agency and two (2) members from the
2 division, shall review the proposals.

3 (B) A preselection committee for institutions of higher
4 education stated in subdivision (b)(5) of this section shall consist of at
5 least three (3) members as determined by each of the institutions of higher
6 education, and the members may be from the division.

7 (C) The preselection committee shall select a maximum of
8 five (5) applicants and schedule interviews.

9 (D) The state agency or an institution of higher education
10 as stated in subdivision (b)(5) of this section shall notify the finalists of
11 their status.

12 (2)(A) The final selection committee shall be composed of the
13 three (3) members from the state agency on the preselection committee.

14 (B) The final interviews shall be held at the time and
15 date as designated by the final selection committee.

16 (C) Representatives of the division may attend the final
17 selection meeting, but shall not vote in the final selection process.

18 (D) The final selection committee for institutions of
19 higher education stated in subdivision (b)(5) of this section shall consist
20 of at least three (3) members as determined by each of the institutions of
21 higher education.

22 (E) Members of a preselection committee may also serve as
23 members of the final selection committee of the institutions.

24 (F) In selecting a general contractor, construction
25 manager, architect, or engineer, the state agency or institution of higher
26 education as stated in subdivision (b)(5) of this section shall consider its
27 established criteria which shall include without limitation the following:

28 (i) The experience of the professional or
29 professionals in similar projects;

30 (ii) The record of the professional or professionals
31 in timely completion of the projects with high quality workmanship; and

32 (iii) Other similar matters to determine that the
33 professional or professionals will complete the project within the time and
34 budget and to the specifications set by the state agency or institution of
35 higher education as stated in subdivision (b)(5) of this section.

36 (3)(A) The final selection committee shall select or make a

1 formal recommendation to its governing body of the professional or
2 professionals that it determines to be in the best interest of the state.

3 (B) Contracts for architectural, engineering, and land
4 surveying professional consultant services shall be negotiated on the basis
5 of demonstrated competence and qualifications for the type of services
6 required and at fair and reasonable prices without the use of competitive
7 bidding, and a rule shall not inhibit the agency's authority to negotiate
8 fees for the services.

9 (C) The final selection committee for the institutions of
10 higher education as stated in subdivision (b)(5) of this section shall make a
11 recommendation to its governing board or appropriate committee of its
12 governing board of the professional or professionals which it determines to
13 be in the best interest of the institution of higher education, and the
14 governing board shall make the final decision and authorize the contract or
15 contracts to be negotiated and awarded, unless the governing board has
16 delegated the action to a committee of the governing board.

17 (f)(1) Construction contracts for the projects shall not be entered
18 into without a payment and performance bond in the amount of the contract and
19 any amendments to the contract and shall provide for the manner in which the
20 construction shall be managed and supervised.

21 (2) All project architects and engineers shall be properly
22 licensed in accordance with the Arkansas State Board of Architects, Landscape
23 Architects, and Interior Designers and the State Board of Licensure for
24 Professional Engineers and Professional Surveyors.

25 (3) The construction manager or general contractor shall be
26 properly licensed by the Contractors Licensing Board.

27 (4)(A) All subcontractors on the project shall be properly
28 licensed by the Contractors Licensing Board.

29 (B) Any person who is not considered a contractor under §
30 17-25-101 et seq. may continue to perform subcontracting work under this
31 subchapter.

32 (g)(1) To enable a state agency or an institution of higher education
33 as stated in subdivision (b)(5) of this section to qualify under this
34 section, the funds shall be paid to or for the benefit of the state agency or
35 institution of higher education, or to a fund or foundation for the benefit
36 of the state agency or institution of higher education.

1 (2) The funds may be represented in whole or in part by a
2 written pledge or commitment from a donor, if the state agency or institution
3 of higher education assures itself of the financial stability of the donor to
4 fulfill the pledge or commitment.

5 (h) All projects constructed pursuant to this section, to the extent
6 applicable, shall be in accordance and compliance with:

7 (1) Section 17-38-101 et seq., regulating plumbers;

8 (2) Section 17-33-101 et seq., regulating the heating,
9 ventilation, air conditioning, and refrigeration industry;

10 (3) The Fire Prevention Act, § 12-13-101 et seq.;

11 (4) Section 12-80-101 et seq., regarding earthquake resistant
12 design for public structures;

13 (5) Americans with Disabilities Act Accessibility Guidelines, 28
14 C.F.R. Part 36, Appx. A, adopted by the division; and

15 (6)(A) The minimum standards of the division and criteria
16 pertaining to projects constructed under this section.

17 (B)(i) However, institutions of higher education as stated
18 in subdivision (b)(5) of this section shall be exempt from these standards
19 and criteria, if the institutions of higher education have adopted policies
20 and procedures involving the awarding and oversight of contracts for projects
21 under this section.

22 (ii) It is the intention of this section that all
23 procedures adopted by institutions of higher education pertaining to the
24 contracts shall provide, to the extent practicable, substantial uniformity
25 between institutions of higher education with respect to the policies and
26 procedures to be followed.

27 (iii) Notwithstanding anything in this subsection to
28 the contrary, § 19-4-1405(f), §§ 19-11-1412, 19-65-101, 19-65-102, 22-9-101,
29 22-9-103, 22-9-104, 22-9-212, 22-9-213, § 22-9-401 et seq., § 22-9-501 et
30 seq., § 22-9-601 et seq., and § 22-9-701 et seq. shall remain in full force
31 and effect and shall not be affected by this section.

32
33 19-4-1414. Job order contracting – Definitions.

34 (a) As used in this section, "job order contracting" means the
35 acquisition of contracting services using a selection method that requires
36 contractors to submit qualifications and prices based on wage rates inclusive

1 of fringes and burden, plus a pricing matrix for markups on materials and
2 subcontractors.

3 (b) The state agency or the institution of higher education may supply
4 all materials for the work with no additional markup if the materials may be
5 purchased off state contracts at a lesser price than the contractor would be
6 able to procure.

7 (c)(1)(A) After a state agency or institution of higher education has
8 prepared appropriate scope documents and achieved appropriate reviews, the
9 state agency or institution of higher education shall advertise for bids and
10 award and file contracts for the contemplated work as identified in §§ 19-4-
11 1401 – 19-4-1405.

12 (B) Additional work may be awarded based upon the initial
13 bid within the fiscal year.

14 (2)(A) The bidder may not submit a multiplier representing
15 estimated cost inflation as part of the formal bid process.

16 (B) The bid will represent the fixed price amount for the
17 fiscal year.

18 (3) The most qualified bidder offering the best value for the
19 state agency or the institution of higher education shall be selected to
20 perform the construction services identified in the construction
21 specifications.

22 (d)(1) Job order contracting bid awards:

23 (A) Shall not extend beyond one (1) fiscal year; and

24 (B) Shall not exceed:

25 (i) Seven hundred fifty thousand dollars (\$750,000)
26 per construction job for the first year of the contract for state agencies;
27 and

28 (ii) One million two hundred thousand dollars
29 (\$1,200,000) per construction job for the first year of the contract for
30 institutions of higher education.

31 (2) However, reasonable extensions may be granted at the
32 beginning of each new fiscal year not to exceed a total of four (4) years,
33 if:

34 (A) The price remains mutually agreeable to the state
35 agency or the institution of higher education and the contractor; and

36 (B) The quality of the work is satisfactory to the state

1 agency or the institution of higher education.

2 (3) On or before the four-year threshold under subdivision
3 (d)(2) of this section, the state agency or the institution of higher
4 education shall bid the construction service to assure competitive
5 opportunities and lowest cost circumstances.

6 (e)(1) Executed counterparts of a contract entered into by a state
7 agency with respect to job order projects shall be approved by and filed with
8 the Building Authority Division before the issuance of any vouchers making
9 payments under the contract.

10 (2)(A) The boards of trustees of the University of Arkansas,
11 Arkansas State University, University of Central Arkansas, Henderson State
12 University, Arkansas Tech University, and Southern Arkansas University are
13 exempt from the requirements of this section regarding the approval and
14 filing of the contracts with the Building Authority Division.

15 (B)(i) With the exception of those boards of trustees
16 listed in subdivision (e)(2)(A) of this section, the governing board of a
17 public institution of higher education is exempt from filing the contracts
18 with the Building Authority Division if the governing board of the public
19 institution receives the approval of the Division of Higher Education.

20 (ii) Before granting approval under subdivision
21 (e)(2)(B)(i) of this section, the Division of Higher Education shall review
22 and approve the policies and procedures regarding bidding and construction of
23 capital improvement projects as adopted by the governing board of the public
24 institution of higher education.

25 (3) A public institution of higher education that is exempt
26 under this section may enter into an agreement with the Building Authority
27 Division to file its contracts with the Building Authority Division.

28

29 Subchapter 15 – Property and Equipment Inventory

30

31 19-4-1501. Uniform system of perpetual inventory.

32 The Chief Fiscal Officer of the State shall prescribe and establish a
33 uniform system of perpetual inventory for property and equipment with a
34 central control being established and maintained in the Department of Finance
35 and Administration. In connection with the uniform system of perpetual
36 inventory for property and equipment, the Chief Fiscal Officer of the State

1 shall:

2 (1) Prescribe the procedure of accounting and reporting for the
3 sale, trade-in, exchange, discarding, junking, or other disposal of property
4 and equipment and the system for receiving credit for lost, stolen, or
5 damaged property and equipment. All state agencies shall be required to
6 report promptly, upon forms approved by the Chief Fiscal Officer of the
7 State, all such property or equipment disposed of, lost, or damaged;

8 (2) Require that the addition and disposition of all new
9 property or equipment added, including purchase, trade-in, exchange, or
10 transfer, or by constructing or making such property or equipment, shall be
11 promptly reported upon such forms and in such detail as shall be required;
12 and

13 (3) By rule, distinguish between items of equipment, and
14 consumable supplies or goods, and such minor tools, materials, and parts as
15 shall be deemed by the Chief Fiscal Officer of the State to be expendable
16 within a reasonable period of time. The Chief Fiscal Officer of the State may
17 also prescribe that minor equipment costing less than some minimum amount
18 shall not be included in the perpetual inventory.

19

20 19-4-1502. Duty to keep record.

21 (a) The executive head of each state agency shall keep and maintain a
22 record of all property of the agency, belonging to the State of Arkansas.

23 (b) The executive head of each agency shall be held accountable for
24 all state property under his or her control and shall keep and maintain a
25 record of all state property under his or her control.

26

27 19-4-1503. Transfer or sale.

28 In order to expedite the necessary work of any state agency or to
29 eliminate duplication and promote economy and efficiency, the Chief Fiscal
30 Officer of the State may:

31 (1) Transfer property and equipment, including furniture,
32 fixtures, and office equipment and supplies from one (1) agency to another if
33 the property or equipment of the agency from which the transfer is made is
34 not needed by the agency at the time of the transfer; or

35 (2) Sell surplus property and equipment of an agency at a
36 reasonable fair value of the surplus property and equipment as authorized by

1 § 25-8-106.

2

3

Subchapter 16 – Salaries and Payroll Disbursement

4

5 19-4-1601. Regular Salary Procedures and Restrictions Act.

6 (a) This section and § 21-5-101 shall be known as and may be cited as
7 the “Regular Salary Procedures and Restrictions Act”.

8 (b) Arkansas Constitution, Article 16, § 4, provides: “Except as
9 provided in Arkansas Constitution, Article 19, § 31, the General Assembly
10 shall fix the salaries and fees of all officers in the State; and no greater
11 salary or fee than that fixed by law shall be paid to any officer, employee,
12 or other person, or at any rate other than par value; and the number and
13 salaries of the clerks and employees of the different departments of the
14 State shall be fixed by law.” Therefore, the following provisions shall be
15 applicable to all authorized regular salary positions in appropriation acts
16 unless specific exception is made otherwise by law:

17 (1) For any position authorized by the General Assembly for the
18 benefit of any department, agency, board, commission, institution, or program
19 for which the provisions of the Uniform Classification and Compensation Act,
20 § 21-5-201 et seq., are to be applicable, it is declared to be the intent of
21 the General Assembly that the Uniform Classification and Compensation Act, §
22 21-5-201 et seq., shall govern with respect to:

23 (A) The entrance pay level;

24 (B) The procedures by which salary increases may be
25 granted; and

26 (C) The maximum pay level that may be paid for the grade
27 assigned each employee under the provisions of the Uniform Classification and
28 Compensation Act, § 21-5-201 et seq.;

29 (2) For any position authorized by the General Assembly for the
30 benefit of any department, agency, board, commission, institution, or program
31 for which a maximum pay level is set out in dollars, it is the intent of the
32 General Assembly that the position is to be paid at a rate of pay not to
33 exceed the maximum established for the position during any one (1) fiscal
34 year and that the maximum pay level authorized is for full-time employment;

35 (3)(A) For all positions authorized by the General Assembly for
36 any department, agency, board, commission, institution, or program, it is the

1 intent of the General Assembly that in determining the annual salaries of
2 these employees, the administrative head of the department, agency, board,
3 commission, institution, or program shall take into consideration ability of
4 the employee and length of service.

5 (B) It is not the intent of the General Assembly that the
6 maximum pay level as authorized in the appropriation act, or any increases
7 established for the various grades under the provisions of the Uniform
8 Classification and Compensation Act, § 21-5-201 et seq., be paid unless the
9 qualifications are complied with and then only within the limitations of the
10 appropriations and funds available for this purpose.

11 (C) An employee authorized by the General Assembly shall
12 not receive from appropriated or cash funds, either from state, federal, or
13 other sources, compensation in an amount greater than that established by the
14 General Assembly as the maximum pay level for the employee unless specific
15 provisions are made therefor by law; and

16 (4) An employee of the State of Arkansas shall not be paid any
17 additional cash allowances, including without limitation uniform allowance,
18 clothing allowance, motor vehicle depreciation or replacement allowance,
19 fixed transportation allowance, and meals and lodging allowance, other than
20 for reimbursement for costs actually incurred by the employee unless the
21 allowances are specifically set out by law as to eligibility of employees to
22 receive the allowances, and the maximum amount of the allowances is
23 established by law for each employee or for each class of employee eligible
24 to receive the allowances.

25

26 19-4-1602. Payroll deductions.

27 (a) Deductions from the payrolls of state employees, both regular and
28 extra help, are authorized only for the following purposes:

29 (1) Withholding taxes;

30 (2) Social Security contributions;

31 (3) Contributions to any state retirement system or approved
32 plan of deferred compensation;

33 (4)(A) Group or individual hospital, medical, and life insurance
34 deductions.

35 (B) However, payroll deductions through the Arkansas state
36 mechanized payroll system for state employees for coverages other than the

- 1 state-authorized plan shall be approved by the State Board of Finance;
- 2 (5) Payments to state employees' credit unions;
- 3 (6) Value of maintenance perquisites;
- 4 (7) Payment of union dues, when requested in writing by state
5 employees;
- 6 (8) Purchase of United States Government savings bonds;
- 7 (9) Arkansas State Employees Association dues, when requested in
8 writing by state employees;
- 9 (10) Fees for participation in the State Employees Benefit
10 Corporation, when requested in writing by those state employees;
- 11 (11) Contributions to a major federated fund-raising
12 organization, when authorized by state employees;
- 13 (12) Arkansas State Police Association dues, when authorized in
14 writing by those state employees;
- 15 (13) Fraternal Order of Police dues, when requested in writing
16 by those state employees;
- 17 (14) Central Arkansas State Troopers Coalition dues, when
18 authorized in writing by state employees;
- 19 (15) Arkansas Rehabilitation Association dues, when authorized
20 in writing by state employees;
- 21 (16) Correctional Peace Officers Foundation dues, when
22 authorized in writing by state employees;
- 23 (17) Department of Corrections Employees Association dues, when
24 requested in writing by employees;
- 25 (18) Arkansas Association of Correctional Employees Trust dues,
26 when requested in writing by those employees;
- 27 (19) Division of Correction Bus Pool dues, when requested in
28 writing by those employees;
- 29 (20)(A) Arkansas Brighter Future Fund Plan under the Arkansas
30 Brighter Future Fund Plan Act, § 6-84-101 et seq., or a tax-deferred savings
31 program established by another state under 26 U.S.C. § 529, as it existed on
32 January 1, 2007.
- 33 (B) The tax-deferred savings plan must be in existence at
34 the time the payroll deduction request is made.
- 35 (C) The state employee shall provide information on his or
36 her Arkansas Brighter Future Fund Plan account to the Department of Finance

1 and Administration so that the payroll deduction can be credited to the
2 appropriate account; and

3 (21) For such other purposes as are specifically authorized by
4 law but not enumerated in this subsection.

5 (b) If a state employee authorizes in writing the payroll deduction of
6 dues of any union or professional association representing the employee, the
7 agency shall deduct the dues from the payroll of the state employee and remit
8 the dues to the union or professional association.

9 (c) Deductions authorized by this section shall be made in compliance
10 with rules and procedures established by the Secretary of the Department of
11 Transformation and Shared Services.

12

13 19-4-1603. Procedures for position control.

14 (a) The Secretary of the Department of Transformation and Shared
15 Services shall establish procedures for exercising position control
16 applicable to those state agencies subject to the provisions of the Uniform
17 Classification and Compensation Act, § 21-5-201 et seq.

18 (b) Exercising position control under subsection (a) of this section
19 shall be interpreted as follows:

20 (1) The secretary shall assign a position control number to each
21 line-item position authorized for the applicable agencies;

22 (2) The secretary shall establish reporting procedures so that
23 agencies shall provide complete reports to the Department of Finance and
24 Administration on the use of all authorized positions; and

25 (3) The secretary may restrict an agency's use of authorized
26 positions only after finding that the agency is in financial difficulty and
27 after invoking the fiscal controls provided in § 19-4-701 et seq. and § 19-4-
28 1201 et seq.

29

30 19-4-1604. Salary from two agencies.

31 (a) Except as provided in subsections (b) and (c) of this section, a
32 person drawing a salary or other compensation from one state agency shall not
33 be paid salary or compensation, other than actual expenses, from any other
34 state agency except upon written certification to and approval by the
35 Secretary of the Department of Transformation and Shared Services and by the
36 head of each state agency, stating that:

1 (1) The work performed for the other state agency does not
2 interfere with the proper and required performance of the person's duties;
3 and

4 (2) The combined salary payments from the state agencies do not
5 exceed the larger maximum annual salary of the line-item position authorized
6 for either state agency from which the employee is being paid.

7 (b)(1) This section does not prohibit a state employee from
8 contracting to temporarily teach as adjunct faculty at a state-supported
9 institution of higher education and thereby receive combined salary payments
10 from the two (2) state agencies in excess of the larger maximum annual salary
11 of the line-item position authorized from either state agency.

12 (2)(A) This section does not prohibit a part-time or job-share
13 public defender from receiving compensation from an appellate court for work
14 performed in connection with an indigent client's appeal to the Supreme Court
15 or the Court of Appeals.

16 (B) A person employed as a full-time public defender who
17 is not provided a state-funded secretary may also seek compensation for
18 appellate work from the Supreme Court or the Court of Appeals.

19 (3) This section does not allow a state employee to be on paid
20 sick leave with a state agency and to be paid a salary or compensation from
21 another state agency.

22 (c) A person drawing a salary or other compensation from a state
23 agency or institution of higher education shall not be paid a salary or
24 compensation from another institution of higher education except upon the
25 written certification to and approval by the Commissioner of the Division of
26 Higher Education that the:

27 (1) Work performed for the other state agency or institution of
28 higher education does not interfere with the proper and required performance
29 of the person's duties; and

30 (2) Combined salary payments from the state agency and
31 institution of higher education do not exceed the larger maximum annual
32 salary of the line-item position authorized for either the agency or
33 institution of higher education from which the employee is being paid.

34
35 19-4-1605. Payment from multiple funds.

36 In those instances in which a state agency has approved line-items for

1 salaries that are payable from more than one (1) fund, the Chief Fiscal
2 Officer of the State may establish a paying account on his or her books and
3 on the books of the Treasurer of State and the Auditor of State from which
4 all such salaries may be paid, with provisions for reimbursing the paying
5 account by directing the transfer of the necessary funds and appropriations
6 on the books of the Treasurer of State, the Auditor of State, and the Chief
7 Fiscal Officer of the State.

8
9 19-4-1606. Review of payroll required.

10 (a)(1) The Department of Transformation and Shared Services shall
11 review the payroll of state agencies covered by the Uniform Classification
12 and Compensation Act, § 21-5-201 et seq., with respect to the salaries of all
13 employees of affected state agencies.

14 (2) The review under subdivision (a)(1) of this section shall
15 determine the correctness of each payroll with respect to each position to
16 assure compliance with the compensation plan and to assure that no position
17 is being paid, during any payroll period, an amount greater than authorized
18 in the compensation plan or the amount authorized for the position in the
19 appropriation act applicable to the agency.

20 (b) A proposed rate of pay for an employee found not to be in
21 accordance with the provisions of the Uniform Classification and Compensation
22 Act, § 21-5-201 et seq., and the appropriation act governing the agency shall
23 be changed to the appropriate rate of pay by the state agency covered by the
24 Uniform Classification and Compensation Act, § 21-5-201 et seq., before the
25 department approves it for payment.

26 (c) Payment of salary of an employee of a state agency affected by the
27 Uniform Classification and Compensation Act, § 21-5-201 et seq., shall not be
28 made without the certification of correctness by the department based on its
29 review duties as provided in this section.

30 (d) The department may develop and implement rules and procedures to
31 accomplish the purposes of this section.

32
33 19-4-1607. Monthly, biweekly, weekly, and hourly salaries.

34 (a)(1)(A) Except for those state agencies that operate principally on
35 a scholastic year, or on a part-time basis, or when such salaries or personal
36 services are specifically established for a period less than one (1) year,

1 all salaries established by the General Assembly shall be considered to be a
2 maximum amount to be paid for a twelve-month payroll period.

3 (B) A greater amount than that established for the maximum
4 annual salary of a state official or employee shall not be paid to the state
5 official or employee during any such twelve-month payroll period, nor shall
6 more than one-twelfth (1/12) of the annual salary be paid to the state
7 official or employee during any calendar month unless authorized in this
8 subchapter.

9 (2) The limitations set out in this section may be converted to
10 biweekly or weekly increments of one-twenty-sixth (1/26) or one-fifty-second
11 (1/52) of the maximum annual salary.

12 (3) For complying with federal requirements, upon approval of
13 the Secretary of the Department of Transformation and Shared Services in
14 consultation with the Chief Fiscal Officer of the State, the maximum annual
15 salaries may be converted to hourly rates of pay for positions established on
16 the basis of twelve (12) months or less if authorized by law.

17 (b) The remuneration paid to a state employee may exceed the maximum
18 annual salary as authorized by the General Assembly as follows, and the
19 following shall not be construed as payment for services or as salary as
20 contemplated by Arkansas Constitution, Article 16, § 4:

21 (1) Overtime payments as authorized by law;

22 (2) Payment of a lump sum to a terminating state employee, to
23 include lump-sum payments of sick leave balances upon retirement as provided
24 by law;

25 (3) Payment for overlapping pay periods at the end of a fiscal
26 year as defined or authorized by law;

27 (4) Payment for the biweekly twenty-seven (27) pay periods;

28 (5) Payment for career service recognition as authorized by law;

29 and

30 (6) Payment in accordance with special language salary
31 provisions in individual agency appropriation acts.

32

33 19-4-1608. Personal services less than 12 months.

34 If an appropriation is made for the payment of personal services, when
35 it has been established by law on the basis of a scholastic year or for some
36 other period less than twelve (12) months, then any person so employed may be

1 paid from bank funds for the remainder of the year if his or her services are
2 required by the state agency.

3
4 19-4-1609. State-supported institutions of higher education.

5 (a)(1) Pursuant to administrative procedures established by the Chief
6 Fiscal Officer of the State, each state-supported institution of higher
7 education may request a salary and personal services matching, or a
8 maintenance and general operations expense disbursement procedure, or both.
9 This procedure shall be requested, in writing from the executive head,
10 communicated to the Chief Fiscal Officer of the State by which, effective at
11 a date in accordance with the request, each payroll for all salaries of the
12 state-supported institution of higher education payable to employees, or a
13 maintenance and general operations expense of the state-supported institution
14 of higher education and personal services matching for employees of the
15 state-supported institution of higher education, or both, may be disbursed by
16 the state-supported institution of higher education and paid from state
17 agency bank funds of the state-supported institution of higher education,
18 subject to reimbursement and correction of reporting as provided in this
19 section.

20 (2)(A) The Chief Fiscal Officer of the State may approve such
21 salary and personal services matching, or a maintenance and general
22 operations expense disbursement procedure, or both, for such reimbursement if
23 he or she determines that each state-supported institution of higher
24 education has complied with all administrative procedures established by the
25 Chief Fiscal Officer of the State.

26 (B)(i) The Chief Fiscal Officer of the State may revoke
27 any such approval by transmitting a thirty-day notice to the executive head
28 of the state-supported institution of higher education when the Chief Fiscal
29 Officer of the State finds that internal administrative procedures and
30 controls of the state-supported institution of higher education are not
31 adequate.

32 (ii) The Legislative Joint Auditing Committee shall
33 advise the Chief Fiscal Officer of the State and keep him or her informed
34 regarding any of its findings that may be relevant to such determination
35 regarding these state-supported institutions of higher education.

36 (b)(1) Upon completion of salary and personal services matching, or a

1 maintenance and general operations expense disbursement, or both, by the
2 state-supported institution of higher education, the disbursing officer or
3 other appropriate official of the state-supported institution of higher
4 education shall examine the payroll or a maintenance and general operations
5 expense, or both, as disbursed for such amounts as are properly payable from
6 State Treasury funds.

7 (2)(A) At such time as the disbursing officer or other
8 appropriate official of the state-supported institution of higher education
9 examines the payroll, or a maintenance and general operations expense for
10 determining the reimbursable amount, or both, he or she shall also review the
11 payroll or maintenance and general operations expense in order to discover
12 any erroneous or improper payments as provided by law.

13 (B) The liability for erroneous or improper payments is
14 with the executive head of that state-supported institution of higher
15 education and its bonded disbursing officer, or his or her designated bonded
16 assistant.

17 (c) All salaries and personal services matching, or a maintenance and
18 general operations expense, or both, are subject to the restrictions and
19 controls provided by law and the administrative procedures of the Chief
20 Fiscal Officer of the State.

21 (d) Under this section, the University of Arkansas for Medical
22 Sciences may utilize appropriated funds to authorize procedures for the
23 disbursement of indigent care maintenance and general operations
24 appropriations to be paid from cash funds of the University of Arkansas for
25 Medical Sciences, subject to reimbursement and correction of reporting.

26

27 19-4-1610. Retroactive pay prohibited.

28 (a)(1) If a state employee is being paid less than the maximum
29 provided for by law, and thereafter the head of the agency provides for an
30 increase in the rate of pay for the state employee, the rate of pay shall not
31 exceed one-twelfth (1/12) of the annual maximum amount of the salary position
32 on which he or she is placed, for the remainder of the annual period.

33 (2) Payments under subdivision (a)(1) of this section shall not
34 be made for a preceding fiscal year.

35 (b)(1) An increase in the rate of pay, either by paying the full
36 amount of the maximum salary or by placing a state employee in a position

1 calling for a greater salary, shall not be construed as authorizing the
2 payment of any retroactive salary to the state employee.

3 (2) Payments under subdivision (b)(1) of this section shall not
4 be made for a preceding fiscal year.

5 (c)(1) Salary payments made to correct an administrative error shall
6 not be considered retroactive pay, nor shall such a payment be construed as
7 exceeding the state employee's maximum authorized pay.

8 (2) Payments under subdivision (c)(1) of this section may be
9 made for a preceding fiscal year if:

10 (A) Requested within twelve (12) months of the end of the
11 preceding fiscal year; and

12 (B) Upon the consent of the Secretary of the Department of
13 Transformation and Shared Services in consultation with the Chief Fiscal
14 Officer of the State.

15

16 19-4-1611. Supplemental payments prohibited.

17 (a) If the General Assembly has established by law the maximum annual
18 salaries for certain positions for a state agency and has appropriated for
19 those positions, a greater salary than that established by law shall not be
20 paid to a person occupying the position by making supplemental payments from
21 agency bank funds.

22 (b) However, the salaries under subsection (a) of this section may be
23 paid partly from state-appropriated funds and partly from agency bank funds,
24 but the aggregate of the payments shall not exceed the maximum annual salary
25 rate, when the maximum annual salary rate is established by law.

26

27 19-4-1612. Overtime pay.

28 (a) It is the policy of the State of Arkansas that overtime pay for
29 state employees is the least desirable method of compensation for overtime
30 work.

31 (b)(1) All state departments, agencies, boards, commissions, and
32 institutions may pay overtime to their employees, under the rules and
33 regulations set out by the federal Fair Labor Standards Act of 1938.

34 (2)(A) The Secretary of the Department of Transformation and
35 Shared Services shall specify those specific employees or groups of employees
36 other than employees of the Arkansas Department of Transportation eligible to

1 receive overtime compensation, the circumstances under which overtime pay is
2 to be allowed, and other matters the secretary finds appropriate and
3 necessary to comply with the federal Fair Labor Standards Act of 1938 as
4 regards the payment of overtime compensation.

5 (B) The Director of State Highways and Transportation
6 shall make the determinations under this subsection as to employees of the
7 Arkansas Department of Transportation.

8 (c) The rules authorized by this section shall not go into effect
9 until the secretary, or the Arkansas Department of Transportation as to its
10 employees, has sought the advice of the Legislative Council.

11 (d) If the federal Fair Labor Standards Act of 1938 is held, for
12 whatever reason, to be nonapplicable to state employment, then any state
13 department, agency, board, commission, or institution may pay overtime to its
14 employees only if the General Assembly has given authorization by an
15 appropriation.

16 (e)(1) The State Highway Commission:

17 (A) For the purpose of paying overtime, may transfer a
18 portion of the appropriation for overtime in the operative appropriation act
19 for the Arkansas Department of Transportation to the appropriation for
20 regular salaries in the operative appropriation act for the Arkansas
21 Department of Transportation; and

22 (B) Shall notify the Auditor of State and the Secretary of
23 the Department of Finance and Administration of a transfer authorized under
24 this subdivision (e)(1).

25 (2) If the commission makes a transfer under subdivision (e)(1)
26 of this section:

27 (A) The overtime applicable to any salaries may be paid
28 from the appropriation for regular salaries in the operative appropriation
29 act for the Arkansas Department of Transportation; and

30 (B) One (1) state warrant may be issued to each employee
31 for the total of the regular salary and overtime earned.

32 (3) The amount appropriated for salaries in the operative
33 appropriation act for the Arkansas Department of Transportation may be
34 exceeded for an employee eligible for overtime to the extent of the overtime
35 paid to the employee.

36 (4) The overtime paid shall be identifiable for each employee,

1 and in total for all employees, on the voucher or other record that is
2 submitted to support the issuance of a state warrant.

3
4 19-4-1613. Lump-sum terminal pay.

5 (a) Upon termination, resignation, retirement, death, or other action
6 by which a person ceases to be an active employee of a state agency, the
7 amount due the employee or his or her estate, including any accrued unpaid
8 annual or holiday leave that is due in accordance with the policies of the
9 state agency and lump-sum payments of sick leave balances upon retirement as
10 provided by law, may, and should, be included in the final pay to the
11 employee or his or her estate for the employee's active work, even though the
12 final payment of salary or wages may exceed one-twenty-sixth (1/26) or other
13 fractional amount based upon days, weeks, or months of the employee's annual
14 authorized compensation at the date active employment ceases.

15 (b) An employee receiving the additional compensation shall not return
16 to state employment until the number of days for which he or she received
17 additional compensation has expired.

18 (c) Payment of the additional compensation shall not be considered as
19 exceeding the maximum for a position so authorized.

20 (d) If an employee receives compensation for unused sick leave at
21 retirement pursuant to § 21-4-501 and returns to state employment, the
22 employee shall not be required to wait until the expiration of the number of
23 days for which he or she received additional compensation before returning to
24 state employment or to repay the amount of the compensation.

25
26 19-4-1614. Judicial awards under federal laws.

27 (a)(1) If a state employee, or the authorized agent of a state
28 employee, files suit against the State of Arkansas in a court of competent
29 jurisdiction for relief under Title VII of the federal Civil Rights Act of
30 1964, as amended, or the federal Civil Rights Act of 1866, or the federal
31 Civil Rights Act of 1871, or the Fourteenth Amendment to the United States
32 Constitution, and the court finds for the state employee and in so finding
33 awards wages or salaries for personal services rendered in addition to wages
34 or salaries already paid or due, the additional wages or salaries shall be
35 paid from the regular salary appropriation from which the state employee is
36 normally paid.

1 (2) If it is found, however, that a payment under subdivision
2 (a)(1) of this section will impair the regular salary appropriation, the
3 Chief Fiscal Officer of the State shall transfer the necessary appropriation
4 from the maintenance and general operations appropriation of the employing
5 agency to the regular salary appropriation in order that the additional wages
6 or salaries shall be paid.

7 (b) Any liquidated damages awarded by the court, pursuant to the
8 federal laws cited in subsection (a) of this section, are to be paid in the
9 same manner as the additional wages or salaries provided for in subsection
10 (a) of this section.

11 (c)(1) When notified that a state employee has filed suit or is in any
12 other manner claiming redress under the federal laws cited in subsection (a)
13 of this section, the Chief Fiscal Officer of the State may investigate the
14 circumstances surrounding the claim.

15 (2) If, based on the evidence and facts found during the
16 investigation under subdivision (c)(1) of this section, the Chief Fiscal
17 Officer of the State determines or has reason to believe that the court would
18 sustain the state employee's claim and find for the state employee and in so
19 doing award wages or salaries in addition to those paid or due for the state
20 employee's personal service rendered, then the Chief Fiscal Officer of the
21 State, with the advice of the Legislative Council or the Joint Budget
22 Committee, shall authorize payment of the additional wages or salaries as
23 provided in subsection (a) of this section.

24
25 19-4-1615. Awards from Arkansas State Claims Commission.

26 (a) If a state employee is awarded a claim by the Arkansas State
27 Claims Commission for wages or salaries for personal services rendered for a
28 state agency, the award shall be processed through the state mechanized
29 payroll system.

30 (b) The award under subsection (a) of this section shall be paid from
31 the regular salaries and personal services matching appropriation from which
32 the state employee is normally paid.

33
34 Subchapter 17 – Reimbursements, Collections, and Refunds

35
36 19-4-1701. Reimbursements and refunds generally.

1 (a) The Chief Fiscal Officer of the State shall prescribe the method
2 of handling refunds and reimbursements to the state for moneys previously
3 paid out or due the state. If no properly classified appropriation account
4 exists on the books of the Chief Fiscal Officer of the State and the Auditor
5 of State for which the respective refund is applicable, the Chief Fiscal
6 Officer of the State may establish the appropriation account on the books of
7 the Chief Fiscal Officer of the State, the Auditor of State, and the various
8 fiscal officers.

9 (b) A refund shall not cause a transfer of appropriation on the books
10 of the Chief Fiscal Officer of the State, the Auditor of State, and the
11 various fiscal officers except for:

12 (1) Proceeds received from insurance policies for casualty
13 losses by state agencies;

14 (2) Proceeds received from vendors on account of overpayment of
15 obligations remitted by state agencies;

16 (3) Refunds to state agencies for cash advances or over-
17 allocations made to state and local agencies for subgrants;

18 (4) Refunds to state agencies for the erroneous payment or
19 overpayment of salaries to state employees;

20 (5) Proceeds derived from the maturity or redemption of
21 investments;

22 (6) Reimbursements to institutions of higher education for cash
23 fund expenditures for salaries that are properly chargeable to funds in the
24 State Treasury;

25 (7) Federal reimbursements of expenses paid in advance by the
26 state on behalf of the federal government; and

27 (8) Reimbursements by vendors or their agents for warranties,
28 product rebates, and service adjustments.

29
30 19-4-1702. Petty cash imprest funds.

31 (a) Petty cash imprest funds for a state agency shall be approved by
32 the Chief Fiscal Officer of the State only in the case of actual need for the
33 funds in connection with the daily operations of the agency and are subject
34 to limitations with respect to amount and use of the funds that may be
35 prescribed by him or her.

36 (b) The petty cash imprest funds shall not be used to circumvent

1 purchasing rules, nor for the purpose of reimbursing individuals for travel
2 expenses.

3

4 19-4-1703. Collections generally.

5 All fines, fees, penalties, court costs, taxes, and other collections
6 that, by the laws of this state, are to be remitted directly to the Treasurer
7 of State for credit in the State Treasury to an account of an agency of this
8 state shall be remitted directly to the agency to whose account they are to
9 be credited. Upon receipt, the agency shall transmit them to the Treasurer of
10 State who shall credit them in the State Treasury to the account of the
11 agency.

12

13 19-4-1704. Geological publications income.

14 Charges, income, receipts, or revenue derived from the sale of
15 publications by the Office of the State Geologist shall be deposited into the
16 State Treasury as a refund to expenditures.

17

18 19-4-1705. Deposits for highway employees retirement.

19 All moneys received in the State Treasury for deposit into the State
20 Highway Employees' Retirement System Fund that are derived from the sale or
21 redemption of stocks, bonds, or other securities, other than interest, are to
22 be classified and handled on the books of the Treasurer of State, the Auditor
23 of State, and the Department of Finance and Administration as a refund to
24 expenditures.

25

26 19-4-1706. Grants, aids, and donations.

27 All state agencies are authorized to accept grants, aids, and donations
28 and to enter into contracts to accept grants, aids, and donations. Following
29 procedures prescribed by the Chief Fiscal Officer of the State, funds
30 received from grants, aids, and donations may be deposited, disbursed,
31 budgeted, and regulated.

32

33 19-4-1707. Federal funds generally.

34 (a) If the United States Congress appropriates funds for the benefit
35 of the state or a state agency or if any federal funds are paid to the state
36 or an agency thereof for the purpose of reimbursing the state for funds

1 previously paid out, and if any such federal funds are deposited into the
2 State Treasury and there is no law providing for the depositing of those
3 moneys into a state fund or appropriating them from a state fund, taking into
4 consideration the provisions and requirements of the miscellaneous federal
5 grant appropriation, then the Chief Fiscal Officer of the State may direct
6 the State Treasury to establish funds, fund accounts, or accounts on the
7 books of the various fiscal officers of the state for the purpose of handling
8 and disbursing these federal funds.

9 (b) Any such federal funds shall be handled only in accordance with
10 the purpose for which the funds were granted to, or paid over to, the state
11 or any agency thereof. All such federal funds are subject to the procedures
12 prescribed by the Chief Fiscal Officer of the State for the disbursement of
13 funds.

14
15 19-4-1708. Federal funds for vocational schools.

16 Reimbursements of federal funds to the Division of Career and Technical
17 Education Fund Account shall be construed to be income of the fiscal year in
18 which the reimbursements were received.

19
20 Subchapter 18 – Federal Grants and Aids

21
22 19-4-1801. Submission of requests.

23 (a) Requests for federal funds for grants, aids, reimbursement, and
24 direct or indirect cost reimbursement plans, other than research grants,
25 originated by a state agency other than a state institution of higher
26 education shall be submitted to the Department of Finance and Administration
27 before their submission to the granting source.

28 (b) Excepting the provisions of § 19-4-1807, the remainder of this
29 subchapter does not apply to state institutions of higher education.

30
31 19-4-1802. Preliminary or informal proposals.

32 (a) Preliminary or informal proposals that do not commit personnel,
33 space, facilities, or state funds may be submitted directly to the granting
34 source.

35 (b) However, when the grant requested, if approved, would result in
36 the commitment of state personnel, space, facilities, equipment, or funds, or

1 the program to be proposed by the state agency with the resources from the
2 federal grant has not received specific legislative authorization through an
3 appropriation or specific enabling legislation, the requesting agency shall
4 notify, in writing, the Secretary of the Department of Finance and
5 Administration that the preliminary or informal proposal is being made and
6 shall briefly describe it.

7
8 19-4-1803. Evaluation report.

9 Each request submitted to the Department of Finance and Administration
10 shall be accompanied with an evaluation report prepared by the state agency
11 that includes without limitation the following information:

- 12 (1) A description of the purpose of the program;
- 13 (2) An explanation of the relationship of the program or plan to
14 the agency's total program and why the program is needed;
- 15 (3) Its priority in the total program;
- 16 (4) A statement whether similar programs are being conducted, if
17 known, or could be conducted in or by other agencies;
- 18 (5) An explanation of the effects of this program and the
19 state's obligation, if any, to continue the program, and the level of
20 continuance, if federal funds are curtailed;
- 21 (6) A statement of how the agency's programs and objectives
22 would be affected if the request is not approved; and
- 23 (7) The amount of overhead payment anticipated from federal
24 funds, and its adequacy, to reimburse the agency and central state services
25 for actual indirect costs reimbursements.

26
27 19-4-1804. Receipt of funds.

28 (a) When federal funds, grants, aids, or reimbursements, including
29 unsolicited funds, are received by a state agency, the Department of Finance
30 and Administration shall be notified on forms to be prescribed by the
31 Secretary of the Department of Finance and Administration.

32 (b) The department shall prescribe procedures for quarterly reporting
33 information relative to grants, aids, reimbursement, and direct or indirect
34 cost reimbursement plans and research grants and aids for the institutions of
35 higher education.

36

1 19-4-1805. Research grants.

2 The Department of Finance and Administration shall prescribe procedures
3 for reporting information relative to federal research grants and aids for
4 the colleges and universities.

5

6 19-4-1806. Letters of credit – Definitions.

7 (a) As used in this subchapter:

8 (1) “Checks-paid letter of credit” means a system that requires
9 state warrants to be issued without federal moneys on deposit in the State
10 Treasury. The federal share of the warrants only become available to the
11 Treasurer of State on the day the warrants are presented for redemption. A
12 receipt is processed and credited to the proper fund before the warrants are
13 redeemed;

14 (2) “Delay-of-drawdown letter of credit” means a system that
15 requires the Auditor of State to issue warrants without federal moneys on
16 deposit in the State Treasury for specific programs primarily financed by
17 federal moneys. Moneys are drawn upon the letter of credit and deposited with
18 the Treasurer of State based on an agreement with the United States
19 Government establishing warrant redemption patterns. Deposits are made each
20 day based on estimates of the amount of warrants to be redeemed each day. If
21 warrants are presented for redemption on a given day in excess of the amount
22 deposited into the State Treasury, an additional amount of moneys may be
23 requested on a letter of credit and deposited with the Treasurer of State to
24 enable proper warrant redemption and to prevent deficit spending; and

25 (3) “Federal letter of credit” means an instrument certified by
26 an authorized official of a grantor agency which authorizes a grantee to draw
27 funds needed for immediate disbursement in accordance with Treasury Circular
28 1075.

29 (b)(1) Upon approval of the Chief Fiscal Officer of the State and
30 under procedures prescribed by the Chief Fiscal Officer of the State, letters
31 of credit, either individually or under a single, unified, checks-paid, or
32 delay-of-drawdown system may be included and accounted for on the books of
33 record of the Auditor of State, the Chief Fiscal Officer of the State, and
34 the applicable state agency as deferred federal revenues to be treated as an
35 asset comparable to “cash on hand”. In connection therewith, the Chief Fiscal
36 Officer of the State may direct the creation and establishment of a revolving

1 paying account on the books of records of the applicable state's accounting
2 records. Furthermore, upon implementation of a checks-paid or delay-of-
3 drawdown system:

4 (A) The affected agency may issue vouchers;

5 (B) The Department of Finance and Administration may
6 approve vouchers for payment; and

7 (C) The Auditor of State may issue warrants for federal
8 programs without regard to federal fund or paying account balances on deposit
9 in the State Treasury.

10 (2)(A) The Treasurer of State shall not redeem any warrants
11 without sufficient fund balances on deposit equal to the total amount of
12 warrants presented for redemption.

13 (B) In no event shall the implementation of a checks-paid
14 or delay-of-drawdown letter of credit system be construed as deficit
15 spending.

16 (C) The Chief Fiscal Officer of the State, after
17 consulting with the Auditor of State and the Treasurer of State, may
18 prescribe rules as necessary to implement a checks-paid or delay-of-drawdown
19 letter of credit system.

20 (3) An agency shall not implement a checks-paid or delay-of-
21 drawdown letter of credit system except upon approval of the Chief Fiscal
22 Officer of the State and upon advice of the Legislative Council.

23

24 19-4-1807. Quarterly reports.

25 (a)(1) The Secretary of the Department of Finance and Administration
26 shall file quarterly reports with the Legislative Council itemizing and
27 summarizing all contracts or agreements entered into by the Governor with the
28 United States Government, or any agencies or instrumentalities of the federal
29 government, whereby the State of Arkansas is to participate in any program
30 involving the expenditure of federal funds.

31 (2) The quarterly reports shall be filed, whether or not state
32 funds are obligated in connection therewith, with respect to new federal
33 programs or expansions of existing federal programs that were not in
34 existence or that were not implemented by state participation, at the time of
35 the adjournment of the regular session of the General Assembly and entered
36 into before the convening of the next regular session of the General

1 Assembly.

2 (b) With respect to each contract or agreement, the report shall list:

3 (1) A brief statement of the purposes of the contract or
4 agreement;

5 (2) The amount of federal funds to be expended under the
6 contract or agreement;

7 (3) The amount of any state matching funds required in
8 connection with the program, if any, related to the contract or agreement;

9 (4) The name of the agency that will administer the program, if
10 any, related to the contract or agreement; and

11 (5) Any additional information that will enable the members of
12 the Legislative Council to determine the nature and purposes of the contract
13 or agreement.

14

15 19-4-1808. Review and continuance of programs.

16 (a)(1) The Legislative Council shall review the quarterly reports
17 filed by the Secretary of the Department of Finance and Administration as
18 required in this subchapter.

19 (2) The Legislative Council shall submit findings and
20 recommendations to each succeeding regular session of the General Assembly
21 for enabling legislation to implement, restrict, or prohibit the state's
22 participation in any such new federal program or expanded federal program
23 that was implemented by contract or agreement entered into by the Governor
24 subsequent to the adjournment of the preceding session of the General
25 Assembly.

26 (b)(1) If the next regular session of the General Assembly fails to
27 prohibit or restrict the state's participation in any new or expanded program
28 implemented by contract or agreement signed by the Governor with the United
29 States Government during the interim since the immediately preceding regular
30 session of the General Assembly, then the state may continue to participate
31 in the federal program.

32 (2)(A) However, if the General Assembly restricts or prohibits
33 the state's participation in any new or expanded federal program implemented
34 by contract or agreement subsequent to the last regular session, then it is
35 unlawful for the state to continue to participate in or to expend any state
36 funds in connection with any such program.

1 (B) All contracts or agreements entered into by the
2 Governor or any agency of the state acting under authority of the Governor
3 are void and the state's participation therein ceases upon the adjournment of
4 the General Assembly, or at such later date if a later date for the
5 termination of the state's participation therein has been prescribed by law.

6
7 Subchapter 19 – Losses and Recoveries

8
9 19-4-1901. Notice and proof of loss.

10 The Chief Fiscal Officer of the State shall give notice and make proof
11 of loss to, and demand payment of, the surety of any bond executed by any
12 state officer or employee in which the audit report by the Legislative Joint
13 Auditing Committee of the records and accounts shows that the officer or
14 employee and his or her surety may in any way be liable.

15
16 19-4-1902. Payment of loss.

17 (a) Within a reasonable time after the Chief Fiscal Officer of the
18 State has given notice and made proof of loss and demand for payment as
19 prescribed in this subchapter, the surety shall make payment to the Chief
20 Fiscal Officer of the State of the amount so found to be due. The Chief
21 Fiscal Officer of the State shall forthwith transmit the amounts so received
22 to the Treasurer of State with instructions to credit it to the fund, fund
23 accounts, or accounts entitled to the funds.

24 (b) If the amounts so recovered are funds that are not required by law
25 to be deposited into the State Treasury, then the funds shall be transmitted
26 by the Chief Fiscal Officer of the State to the agency to which the recovered
27 funds belong, with instructions to credit it to the accounts entitled to the
28 funds.

29
30 19-4-1903. Legal action.

31 If a surety fails or refuses to pay over the amounts so found to be
32 due, the Chief Fiscal Officer of the State shall give notice of the failure
33 or refusal to the Attorney General. The Attorney General shall immediately
34 take the legal action that is necessary to collect the amount so found to be
35 due from the officer or employee and his or her surety.

36

1 19-4-1904. Auditor's testimony.

2 (a) In all criminal or civil actions brought as the result of the
3 findings set forth in an audit report, the auditors making the audit shall
4 give testimony upon request of the proper officers of the court and otherwise
5 make their services available in the prosecution of any action.

6 (b) An auditor is not entitled to witness fees for giving testimony.
7

8 Subchapter 20 – State-Funded Expenses of Constitutional Officers
9

10 19-4-2001. Definition.

11 As used in this subchapter, "constitutional officers" means the
12 Governor, the Lieutenant Governor, the Attorney General, the Secretary of
13 State, the Treasurer of State, the Auditor of State, and the Commissioner of
14 State Lands.
15

16 19-4-2002. Documentation required.

17 (a) For all expenditures exceeding twenty-five dollars (\$25.00), all
18 constitutional officers and their employees shall file with their disbursing
19 officers the following documents to substantiate expenditures for
20 transportation, lodging, food, or any other expense to be paid from the
21 maintenance and operations moneys appropriated by the General Assembly:

- 22 (1) A copy of the vendor's invoice or receipt;
23 (2) A statement of the purpose of the expenditure; and
24 (3) The names of all persons for which the expenditure was
25 incurred.

26 (b) For all expenditures not exceeding twenty-five dollars (\$25.00),
27 all constitutional officers and their employees shall file with their
28 disbursing officers the following documents to substantiate expenditures for
29 transportation, lodging, food, or any other expense to be paid from the
30 maintenance and operations moneys appropriated by the General Assembly:

- 31 (1) A statement of the purpose of the expenditure;
32 (2) The amount of the expense;
33 (3) The date, place, and nature of the expense; and
34 (4) The business relationship of any persons for whom the
35 expenditure was incurred, including the person's identity, title, or other
36 information sufficient to establish the a relationship.

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19-4-2003. Expenditures for official state business only – Exemptions.

(a)(1) A constitutional officer or an employee of a constitutional officer shall not expend for personal use any moneys appropriated by the General Assembly for the maintenance and operation of the office.

(2) The moneys appropriated for the maintenance and operation of the offices of the constitutional officers shall be expended only for official state business.

(b) This subchapter does not apply to the purchase, maintenance, and operation of state-owned motor vehicles.

19-4-2004. Expenditures – Disapproval.

A disbursing officer of state funds shall not approve any expenditure from maintenance and operation funds for expenses for a constitutional officer or an employee of a constitutional officer unless the request for the expenditure is accompanied by the documentation required by this subchapter.

19-4-2005. Retention of documentation.

The constitutional officers and their employees shall retain the original documentation required by this subchapter for a period of three (3) years after the date of the request for expenditure.

Subchapter 21 – Review of Discretionary Grants

19-4-2101. Definitions – Review generally – Exempt grants.

(a) As used in this subchapter:

(1) “Discretionary grant” means a grant in which the recipient of the grant funds or the formula for the grant award is not specifically stated in the legislation authorizing the grant;

(2) “Nondiscretionary grant” means a grant in which the recipient of the grant funds or the formula for the grant award is specifically stated in the legislation authorizing the grant, or in specific agency rules promulgated by the agency and reviewed by the Legislative Council, or in the case of federal funds, in the statute, regulation, or other federal directive that restricts the disbursement of the funds according to federal guidelines; and

1 (3) "State agency" means:

2 (A) Every board, commission, department, division, or
3 office of state government whether executive, legislative, or judicial; and

4 (B) All state-supported postsecondary educational
5 institutions, including without limitation colleges and universities,
6 vocational and technical schools, and community colleges.

7 (b)(1) A state agency shall not award any discretionary grant before
8 review by the Legislative Council between legislative sessions or by the
9 Joint Budget Committee during legislative sessions.

10 (2) However, if a state agency determines that an emergency
11 exists requiring the discretionary grant to be awarded before review, it may
12 award the discretionary grant before the review by the Legislative Council or
13 the Joint Budget Committee and shall immediately notify the Legislative
14 Council between legislative sessions or the Joint Budget Committee during
15 legislative sessions, as to the facts constituting the emergency.

16 (c) Grants exempt from review include:

17 (1) Grants for which the total consideration is less than or
18 equal to ten thousand dollars (\$10,000);

19 (2) Nondiscretionary grants as determined by the agency;

20 (3) Grants to another governmental entity such as a state
21 agency, public educational institution, federal governmental entity, or body
22 of a local government;

23 (4) Disaster relief grants;

24 (5) Grants identified as not requiring review by the Legislative
25 Council between legislative sessions or the Joint Budget Committee during
26 legislative sessions;

27 (6) Grants containing confidential information, the disclosure
28 of which is determined by the agency to constitute a violation of other
29 provisions of law regarding disclosure; and

30 (7) Any scholarship or financial assistance award to, or on
31 behalf of, a postsecondary student.

32

33 19-4-2102. Review of nonexempt grants.

34 The Legislative Council between legislative sessions and the Joint
35 Budget Committee during legislative sessions shall review all nonexempt
36 discretionary grants by state agencies and notify the agencies as to the

1 results of the review. The Legislative Council or the Joint Budget Committee
2 shall notify agencies of any other grants identified as not requiring review.

3
4 CHAPTER 5

5 DEPOSITORIES FOR PUBLIC FUNDS

6
7 Subchapter 1. General Provisions

8 Subchapter 2. Security for Deposits

9
10 Subchapter 1 – General Provisions

11
12 19-5-101. Definitions.

13 As used in this subchapter:

14 (1) “Bank” or “banking institution” means a state bank, national
15 bank, savings bank, savings association, thrift, or other financial
16 institution authorized to do business and having a main office or branch
17 office in this state, which is insured by the Federal Deposit Insurance
18 Corporation; and

19 (2) “Public funds” or “funds” means funds handled by treasurers,
20 collectors, commissioners, sheriffs, clerks, and receivers appointed under §
21 14-62-104.

22
23 19-5-102. Legal funds.

24 The legal funds referred to in §§ 19-5-101 – 19-5-107 as being eligible
25 for deposit in depositories shall include funds that may come into the hands
26 of treasurers, collectors, commissioners, sheriffs, clerks, and receivers by
27 reason of their official capacities as commissioners.

28
29 19-5-103. Penalties.

30 (a)(1) It is a felony, punishable by fine of not more than one
31 thousand dollars (\$1,000) or one (1) year in prison, or both, for an officer
32 of a bank to accept for deposit more public funds in the aggregate than that
33 amount designated by this section, § 19-5-101, § 19-5-102, and §§ 19-5-104 –
34 19-5-107.

35 (b)(1) More than twenty-five percent (25%) of the total general
36 deposits of public funds shall not be accepted until they have been reduced

1 to the proper proportion of general deposits.

2 (2) When necessary, the depository boards may order a reduction
3 of deposits in a bank so as to conform to the twenty-five percent (25%)
4 limitation provided for in this section.

5 (3) A public officer knowingly depositing public funds in excess
6 of this amount shall likewise be guilty of a felony and subject to the same
7 penalty as prescribed in this section and shall be removed from office.

8 (c) The penalties provided in this section also shall apply in the
9 event of a depository bank's investing any deposits in excess of the twenty-
10 five percent (25%) limitation in any manner other than that provided in § 19-
11 5-105(b) permitting a deposit in excess of the twenty-five percent (25%)
12 limitation.

13

14 19-5-104. Investment of public funds.

15 (a) Except as provided in subsection (b) of this section, all public
16 funds shall be deposited into banks located in the state.

17 (b) A school district may seek a hardship waiver from the Legislative
18 Joint Auditing Committee from this section and deposit public funds into an
19 out-of-state bank if:

20 (1) The school district is designated as an isolated school
21 district under §§ 6-20-601 and 6-20-602;

22 (2) The school district lies on the borders of the state line;

23 (3) The nearest Arkansas bank is located at least eighteen (18)
24 miles from the administrative offices of the school district;

25 (4) The administrative offices of the school district are
26 located within six (6) miles from an out-of-state bank; and

27 (5) The out-of-state bank meets all other requirements
28 concerning collateralization of state funds.

29

30 19-5-105. Annual list of eligible banks.

31 (a) Annually, on December 1, the Bank Commissioner shall furnish to
32 the governing board of each city, or town officer, and the county board of
33 each county, and also any officer of any improvement district or any other
34 political subdivision, having the supervision of public funds or funds
35 belonging to the state or any political subdivision a list of all the banks
36 or banking institutions doing business in this state that are members of the

1 Federal Deposit Insurance Corporation. The commissioner shall recommend the
2 maximum amount of deposit of public funds each bank shall be allowed to
3 receive. None of these public funds shall be deposited into any bank other
4 than those contained in the list.

5 (b)(1) The commissioner shall not recommend and a bank shall not
6 accept for deposit more public funds than twenty-five percent (25%) of the
7 total of its general deposits, exclusive of the public funds.

8 (2) Public money in excess of the amount allowed in this
9 section, if approved by the governing board, may be deposited into an
10 authorized bank if the excess deposit is carried in cash, United States
11 Government bonds, Housing and Home Finance Agency bonds, or demand loans on
12 cotton of the kind commonly known as "Commodity Credit Corporation loans",
13 being only such loans as are guaranteed by the United States.

14

15 19-5-106. Depository boards.

16 (a)(1)(A) The quorum court of each county shall by ordinance establish
17 a county depository board.

18 (B) The county depository board shall be composed of the
19 county judge, the county treasurer and county collector, or the sheriff when
20 acting as ex officio tax collector, or those officials performing the duties
21 of the above officials when an elective county office has been changed in
22 accordance with Arkansas Constitution, Amendment 55.

23 (2) The board shall designate depositories and supervise the
24 depositing of all county funds and all other public funds held by the county
25 treasurer, except funds of a school district, and also shall designate
26 depositories and supervise the depositing of all funds collected and held by
27 the county collector.

28 (3) The board may also require county officials to settle with
29 the county treasurer more frequently than required by Arkansas law.

30 (b)(1) Except as provided in subdivision (b)(2) of this section, the
31 following persons shall constitute a three-member board to designate
32 depositories and supervise the depositing of municipal funds:

33 (A) A mayor;

34 (B) A city clerk or recorder or clerk-treasurer or
35 recorder-treasurer; and

36 (C) A city council member selected by the city council.

1 (2) Although the board shall not total more than three (3)
2 members, the city council may replace one (1) of the three (3) board members
3 listed in subdivision (b)(1) of this section with the city finance officer or
4 other official.

5 (3) A majority of the board members shall be necessary to
6 conduct business and to constitute a quorum.

7 (c) The commissioners of road, drainage, levee, and other improvement
8 districts shall designate depositories and supervise the depositing of funds
9 of their respective districts.

10 (d)(1) The board of directors of a school district shall constitute a
11 board to designate depositories and supervise the depositing of school
12 district funds.

13 (2) All school district funds, whether held by the treasurer of
14 the school district or by the county treasurer, shall be deposited as
15 designated by the board of directors.

16 (e) A receiver appointed under § 14-62-104 shall be a designated
17 depository and supervise the depositing of funds collected under § 14-62-101
18 et seq.

19
20 19-5-107. Depository agreements.

21 (a)(1) After the receipt from the Bank Commissioner of the list of
22 banks or banking institutions eligible for public deposits, the depository
23 boards shall:

24 (A) Designate the banks or banking institutions into which
25 the funds shall be deposited; and

26 (B) With each bank or banking institution designated under
27 subdivision (a)(1)(A) of this section, enter into a depository agreement and
28 any supplemental agreements under subsection (c) of this section needed to
29 perfect security of public deposits not fully insured directly by the United
30 States.

31 (2) The depository boards may at any time enter into depository
32 agreements with any new bank chartered if the bank is certified by the
33 commissioner as being eligible as a depository of public funds under the laws
34 of this state.

35 (3)(A) All depository agreements and supplemental agreements
36 required for creating an enforceable perfected security in collateral for

1 deposits of public funds shall continue in full force until the bank or
2 banking institution receives written notice of revocation by the depository
3 board or until there is a change of membership on the depository board as
4 prescribed in this subsection.

5 (B) Depository agreements and supplemental agreements
6 required to create an enforceable perfected security in collateral for
7 deposits shall be updated at the time a new treasurer takes office.

8 (C) Except as provided under subdivision (a)(3)(A) of this
9 section, agreements required to be signed by all members of a depository
10 board shall be changed at the time of membership change on the depository
11 board.

12 (b)(1) The treasurers or other public officials or other persons
13 having custody of public funds shall deposit those public funds into the
14 designated depositories.

15 (2) The depositing of public funds as required under subdivision
16 (b)(1) of this section into the designated depositories shall relieve the
17 public officer or other person and his or her sureties from any liability for
18 the loss of the public funds by reason of the default or insolvency of any
19 depository.

20 (3) County officials shall make timely deposit and investment of
21 public funds to earn optimum interest consistent with the prudent investor
22 rule defined by Arkansas law.

23 (c)(1) County and municipal officials shall:

24 (A) Require security for the deposit of public funds in
25 the form of a demand deposit, a savings deposit, or a time deposit for
26 amounts not fully insured directly by the United States; and

27 (B) Enter into supplemental agreements with each
28 depository banking institution that satisfy the requirements of this
29 subsection.

30 (2)(A) The Treasurer of State shall make available upon request
31 to any county or municipality fillable depository agreement forms designed
32 for county and municipal governments and any necessary supplemental agreement
33 forms required for collateralizing public funds.

34 (B) The forms shall include language necessary to create
35 an enforceable perfected security interest in all collateral for deposits.

36 (3) Depository boards and banks or banking institutions giving

1 or holding collateral for deposits of public funds shall comply with federal
2 laws and regulations so that the governmental entity or political subdivision
3 depositing public funds holds a valid claim in deposits and collateral given
4 for those deposits against, and prevent avoidance of such a claim by, the
5 Federal Deposit Insurance Corporation or its successor or any similar deposit
6 insurance agency acting as receiver, conservator, or in any other capacity.

7 (4) All security required under this subsection shall meet the
8 requirements of an eligible security under § 19-5-203 and § 23-47-203(c).

9 (5) Public officials may require as a condition for placing
10 deposits or keeping funds on deposit such financial data as they need to make
11 an informed decision, including without limitation quarterly financial
12 statements, quarterly profit and loss statements, and tangible net worth or
13 capital-to-assets ratios.

14
15 19-5-108. Mortgages and securities as security.

16 When securities must be furnished by a depository in the State of
17 Arkansas as security for the deposit of funds, or when securities must be
18 deposited with an official of the State of Arkansas under a statute of this
19 state, mortgages insured and debentures issued by the Federal Housing
20 Administration and obligations of national mortgage associations shall be
21 considered eligible securities for those purposes.

22
23 19-5-109. Housing agency bonds as security.

24 All banks that are by law authorized to accept deposits of public funds
25 may tender, and all officers or boards whose duty it is to award contracts
26 for the deposit of public funds and all officers or boards whose duty it is
27 to accept security for the deposit of public funds may accept bonds of the
28 Housing and Home Finance Agency as security for deposits of public funds at
29 the face value of the bonds.

30
31 19-5-110. Farm credit obligations as security.

32 It is lawful for a person, firm, or corporation required by law to
33 maintain a cash deposit as public security, or in lieu of a cash deposit to
34 file a bond of approved security in favor of the State of Arkansas, to
35 deposit with the officer of the State of Arkansas designated as the custodian
36 of funds, in lieu of a cash deposit, an amount of notes, bonds, debentures,

1 or other similar obligations issued by the Federal Land Banks, Federal
2 Intermediate Credit Banks, or Banks for Cooperatives or any other obligations
3 issued under the Farm Credit Act of 1971, and acts amendatory thereto, which
4 at their market value equal or are in excess of the amount required as a cash
5 deposit.

6

7 19-5-111. Additional authority for investment of public funds –
8 Definition.

9 (a) Notwithstanding any law to the contrary, including §§ 19-5-103 and
10 19-5-105, the state or local government and any trusts established under the
11 Local Government Joint Investment Trust Act, § 14-79-101 et seq., may invest
12 public funds through an eligible bank under § 19-5-105 if:

13 (1) The bank arranges for the deposit of all or a portion of the
14 funds into one (1) or more banks or savings and loan associations located
15 inside the United States for the account of the state or local government or
16 trust;

17 (2) Each deposit is insured by the Federal Deposit Insurance
18 Corporation for one hundred percent (100%) of the principal and accrued
19 interest of the deposit;

20 (3) The bank acts as custodian of the deposits made for the
21 account of the state or local government or trust and, as custodian, is
22 charged with the care of the deposits and their segregation in appropriate
23 records reflecting the total principal amount of the deposits for each
24 custodial account; and

25 (4) On the date the funds are deposited according to subdivision
26 (a)(1) of this section, the bank receives an amount of deposits from
27 customers of other financial institutions located inside the United States
28 that is equal to or greater than the amount of the funds invested by the
29 state or local government or trust.

30 (b) For any investment of public funds under this section, the
31 provisions of §§ 19-5-106 and 19-5-107 apply only to the eligible bank
32 selected under subsection (a) of this section.

33 (c) Additional security shall not be required for investments of
34 public funds under this section.

35 (d) As used in this section, “local government” means a city, county,
36 town, or other political subdivision of the State of Arkansas, including, but

1 not limited to, any:

- 2 (1) School district or community college district;
3 (2) Improvement or other taxing or assessing district;
4 (3) Department, instrumentality, or agency of a city, county, or
5 other political subdivision, including without limitation any local fire and
6 police pension or relief funds; and
7 (4) Local government association as defined in § 14-79-103.

8

9 Subchapter 2 – Security for Deposits

10

11 19-5-201. Legislative intent and construction.

12 The law specifying what securities may be accepted as security for the
13 deposit of public funds of the State of Arkansas or any political subdivision
14 of the state is inadequate in that it is unduly restrictive on the types of
15 securities that may be accepted. The types of securities that may be accepted
16 as security for deposits of public funds is in need of being expanded, and
17 this subchapter is supplementary to and does not repeal any existing law that
18 specifies certain securities that may be accepted as security for deposit of
19 public funds. To that end, this subchapter is declared to be remedial and
20 shall be liberally construed.

21

22 19-5-202. Definition.

23 As used in this subchapter, “public funds” means without limitation
24 funds of:

- 25 (1) The State of Arkansas, or any agency, department, board,
26 commission, or instrumentality thereof;
27 (2) A political subdivision of the State of Arkansas, or an
28 agency thereof;
29 (3) A school board or school district;
30 (4) An improvement or other taxing or assessing district;
31 (5) A public corporation or authority created by or recognized
32 by the State of Arkansas, or any political subdivision thereof; and
33 (6) A receiver appointed under § 14-62-104.

34

35 19-5-203. Eligible security for deposits.

36 (a) When a depository in the State of Arkansas must furnish security

1 for the deposit of any public funds pursuant to Arkansas law or when security
2 must be granted to a public official in connection with public funds, the
3 following shall be considered as eligible security for such purposes and
4 subject to the depositor's discretion regarding the suitability of the
5 collateral:

6 (1) The pledge or escrow of the assets of the bank consisting of
7 an investment in which a state bank may invest under § 23-47-401;

8 (2) A surety bond issued by an insurance company licensed under
9 the laws of the State of Arkansas and either:

10 (A) Rated "A" or better by any one (1) or more of the
11 following rating agencies:

12 (i) A.M. Best Company, Inc.;

13 (ii) Standard & Poor's Insurance Rating Service;

14 (iii) Moody's Investors Service, Inc.; or

15 (iv) Duff & Phelps Credit Rating Co.; or

16 (B) Listed on the then-current United States Department of
17 the Treasury Listing of Approved Sureties;

18 (3) Private deposit insurance issued by an insurance company
19 licensed under the laws of the State of Arkansas and either:

20 (A) Rated "A" or better by any one (1) or more of the
21 following rating agencies:

22 (i) A.M. Best Company, Inc.;

23 (ii) Standard & Poor's Insurance Rating Service;

24 (iii) Moody's Investors Service, Inc.; or

25 (iv) Duff & Phelps Credit Rating Co.; or

26 (B) Listed on the then-current United States Department of
27 the Treasury Listing of Approved Sureties; or

28 (4) An irrevocable standby letter of credit issued by a Federal
29 Home Loan Bank.

30 (b) The aggregate market value of assets pledged or escrowed or the
31 face amount of the surety bond, private deposit insurance, or letter of
32 credit securing the deposit of funds by a single depositor shall be equal to
33 or exceed the amount of the deposit to be secured.

34 (c) Notwithstanding subdivision (a)(1) of this section, if a political
35 subdivision, school district, improvement district, or other issuer has
36 defaulted on any bonds or other obligations within the preceding period of

1 ten (10) years, bonds or other obligations of the defaulting political
2 subdivision, school district, improvement district, or other issuer are not
3 eligible as security for the deposit of public funds or as security required
4 to be deposited in connection with public funds.

5
6 CHAPTER 6
7 PUBLIC OBLIGATIONS
8

9 Subchapter 1. General Provisions

10 Subchapter 2. State Obligations

11 Subchapter 3. Refunding Bonds

12 Subchapter 4. Registered Public Obligations Act of Arkansas

13 Subchapter 5. Revenue Bond Reporting Act

14 Subchapter 6. Revenue Bond Act of 1987

15 Subchapter 7. Taxable Bond Act of 1989
16

17 Subchapter 1 – General Provisions
18

19 19-6-101. Form of bonds that may be issued – Definitions.

20 (a) When existing Arkansas law authorizes a board, commission, or
21 agency of the State of Arkansas or a county, municipality, or improvement
22 district to issue bonds or coupon bonds, the authorization shall be deemed
23 to, and is extended to, include the authority to issue bonds that may be
24 either coupon bonds, payable to bearer, or may be registrable as to principal
25 only with interest coupons, or may be registrable as to both principal and
26 interest without coupons. These bonds may be exchanged for bonds of another
27 denomination, which bonds of another denomination may in turn be either
28 coupon bonds payable to bearer or coupon bonds registrable as to principal
29 only, or bonds registrable as to both principal and interest without coupons,
30 as the governing body determines.

31 (b) As used in this section:

32 (1) "Improvement district" means all improvement districts,
33 drainage districts, levee districts, and other special districts formed for
34 the purpose of constructing or maintaining a local improvement to be financed
35 by the assessment of benefits upon the real property in the district and the
36 levy of a tax on those assessed benefits;

1 (2) "Municipality" means a city of the first class, a city of
2 the second class, or an incorporated town; and

3 (3) "Governing body" means the board of commissioners, city
4 council, county court, board of trustees, or other person or body given the
5 power and duty by the state under existing law to issue bonds by the state, a
6 board, commission, or agency of the state, or a county, municipality, or
7 improvement district.

8 (c) This section shall be liberally construed, and the authority set
9 forth in this section is cumulative and supplemental to all other provisions
10 of law authorizing the issuance of registrable bonds.

11
12 19-6-102. Replacement of lost, destroyed, or stolen bonds.

13 (a) In cases in which a valid bond, note, interest coupon, or evidence
14 of indebtedness, that is, an "instrument", issued by the State of Arkansas,
15 or any of its departments, agencies, or political subdivisions, including
16 without limitation school districts and improvement districts of all kinds,
17 becomes lost, mislaid, destroyed, or stolen, the body that issued the
18 instrument, or its successor, shall issue and deliver to the one owning the
19 right, title, and interest to and in the instrument a replacement instrument,
20 but only on the filing with the body of:

21 (1) An affidavit reciting ownership of all right, title, or
22 interest in and to the lost, mislaid, destroyed, or stolen instrument and
23 giving its name, the name of the board, commission, or body that issued it,
24 the date of maturity, the denomination and number and that of a lost,
25 mislaid, destroyed, or stolen interest coupon appertaining thereto, and
26 briefly describing the circumstance of the loss, mislaying, destruction, or
27 theft; and

28 (2) A bond in double the face amount of the replacement,
29 including any interest coupons affixed thereto, with a surety company
30 licensed to do business in Arkansas as surety thereon, conditioned that if
31 the principal, the heirs, legal representatives, successors, or assigns of
32 the principal, or any of them, in case the instrument so lost, mislaid,
33 destroyed, or stolen is found or comes into the hands or power of any of
34 them, or into the hands, custody, or power of any other person, shall
35 deliver, or cause it to be delivered to the obligor for cancellation, and
36 also shall at all times indemnify and save harmless the obligor from and

1 against all loss, claims, actions, suits, damages, charges, or expenses of
2 any nature and character by reason of the lost, mislaid, destroyed, or stolen
3 instrument, or the issuance of a replacement in lieu thereof, or the paying
4 or crediting as prescribed of the face amount of the lost, mislaid,
5 destroyed, or stolen instrument without the surrender thereof, then the
6 obligation shall be void, otherwise to remain in full force and effect.

7 (b) This section does not:

8 (1) Limit or abridge any defense that the obligor may have
9 against the lost, mislaid, destroyed, or stolen instrument; or

10 (2) Waive any provision of any statute of limitations.

11
12 19-6-103. Paying agents to remit funds after three years.

13 (a) Paying agents with whom the state or any political subdivision of
14 the state has deposited or shall deposit funds for the payment of obligations
15 of the state or of any political subdivision of the state shall remit to the
16 Treasurer of State all the funds that have been in the paying agents' hands
17 for a period of three (3) years.

18 (b) The Treasurer of State shall invest these funds from paying agents
19 in government or state bonds that the Treasurer of State shall hold in trust
20 for the holders of the obligations for the payment of which the funds were
21 deposited with the paying agents.

22 (c) On the presentation to the Treasurer of State of any valid
23 obligation that was payable out of any fund remitted to the Treasurer of
24 State by a paying agent, the Treasurer of State shall sell the bonds
25 purchased with the fund and redeem the obligation.

26
27 19-6-104. Bonds held five years.

28 After the Treasurer of State has purchased and then held a government
29 bond or state bond for a period of five (5) years, the Treasurer of State
30 shall:

31 (1) Liquidate the bond and place the proceeds to the credit of
32 the General Revenue Fund Account; or

33 (2) Remit the bond to the political subdivision of the state to
34 which the bond belongs.

35
36 19-6-105. Pay until barred.

1 Every bond issued by the state or by a political subdivision of the
2 state shall be paid by the state or by the political subdivision unless it is
3 barred by the statute of limitations.

4
5 Subchapter 2 – State Obligations

6
7 19-6-201. Authority of State Board of Finance.

8 The State Board of Finance may:

9 (1) Take such action as may be provided by law for the issuance
10 of refunding bonds for outstanding obligations to the State of Arkansas;

11 (2) Issue replacement bonds, either typewritten, printed, or
12 lithographed, for lost, mislaid, destroyed, or stolen bonds of the State of
13 Arkansas in the manner and within the limitations provided by § 19-6-102;

14 (3) Take such action as may appear necessary or desirable to
15 collect funds that may have been in the hands of paying agents for a period
16 of three (3) years or longer and to invest any funds so collected in the
17 manner provided by §§ 19-6-103 – 19-6-105; and

18 (4) Take such other action, not inconsistent with law, as may
19 appear necessary or desirable to:

20 (A) Retire the direct bonded debt of the State of Arkansas
21 in an orderly manner;

22 (B) Safeguard state funds pledged for the payment of the
23 obligations; and

24 (C) Maintain and improve the credit standing of the State
25 of Arkansas.

26
27 19-6-202. Authorized paying agent.

28 (a) The agent of the state for payment of the maturing principal of,
29 and interest on, its direct obligation bonds, irrespective of any other
30 legislation on the subject, is for all obligations a bank located in this
31 state, to be designated by the State Board of Finance.

32 (b) Fees of the paying agent are as follows:

33 (1) For payment of interest, one-fourth of one percent ($\frac{1}{4}$ of 1%)
34 of the total amount paid; and

35 (2) For payment of principal of each maturity, the aggregate
36 thereof to be calculated as follows, with each paying agent to receive its

1 respective proportion based upon the amount paid by it:

2 (A) One-tenth of one percent (1/10 of 1%) on the first one
3 hundred thousand dollars (\$100,000) paid;

4 (B) One-twentieth of one percent (1/20 of 1%) on the next
5 nine hundred thousand dollars (\$900,000) paid;

6 (C) One-thirtieth of one percent (1/30 of 1%) on the next
7 four million dollars (\$4,000,000) paid; and

8 (D) One-fortieth of one percent (1/40 of 1%) on all
9 amounts paid in excess of five million dollars (\$5,000,000).

10 (c) If an agent so designated refuses to accept the paying agency or
11 of an agent accepting this designation thereafter resigns or fails to furnish
12 service satisfactory to the board, the board shall name another commercial
13 bank as the successor paying agent.

14 (d) A paying agent shall render monthly statements of account to, and
15 in such form as shall be required by the Treasurer of State. With those
16 monthly statements, the paying agent shall transmit all paid and cancelled
17 obligations.

18

19 19-6-203. Registration.

20 The Treasurer of State is the official registrar of all direct
21 obligation bonds of this state. Upon the application of the holder of any
22 such obligations, the Treasurer of State shall register them as to principal
23 only or as to both principal and interest. Thereafter, upon similar
24 application, he or she shall discharge the obligations from registration.

25

26 19-6-204. Retirement of bonds before maturity.

27 (a) Whenever appropriations and funds are available, the State Board
28 of Finance may purchase direct obligations of this state in advance of
29 maturity for the purpose of retirement under the procedure set forth in this
30 subchapter.

31 (b) All obligations purchased as prescribed, and the unmatured
32 interest coupons attached to those obligations, shall be cancelled by
33 perforation.

34

35 19-6-205. Cancelled obligations.

36 The Treasurer of State shall classify and record all paid and cancelled

1 state obligations and, from time to time as directed by the State Board of
2 Finance, destroy these obligations by burning them to ashes after preparing
3 for execution certificates of incineration, which shall set forth a detailed
4 description thereof.

5

6

Subchapter 3 – Refunding Bonds

7

8 19-6-301. Delivery and deposit in trust – Definition.

9 (a) When refunding bonds are issued by the state, a county,
10 municipality, school district, state-supported educational institution,
11 improvement district of any kind, agency, or political subdivision, which may
12 be called “issuing authorities”, the bonds may either be sold or delivered in
13 exchange for the outstanding obligations being refunded. If sold, the
14 proceeds may be either applied to the payment of the outstanding obligations
15 or deposited into trust for the retirement of the obligations, either at
16 maturity or upon any authorized redemption date as specified in the
17 ordinance, resolution, order, or other instrument authorizing the issuance of
18 the refunding bonds.

19 (b) The bonds may be issued in the principal amount necessary to pay
20 the principal of, interest on, redemption premiums, if any, trustee’s and
21 paying agent’s fees, and charges in connection with the obligations being
22 refunded to maturity or to the redemption date specified in the instrument
23 authorizing the issuance of the refunding bonds, these items to be called
24 “total debt service requirements of the obligations being refunded”, to pay
25 expenses incidental thereto, and to pay the expenses of authorizing and
26 issuing the refunding bonds.

27 (c)(1)(A) The bonds may be delivered when moneys or investment
28 securities or a combination thereof, sufficient to meet, as and when due, the
29 total debt service requirements of the obligations being refunded, have been
30 irrevocably deposited into trust with a bank or trust company organized under
31 the laws of the United States or any state of the United States.

32 (B) The bank or trust company shall be qualified to
33 receive trust funds pursuant to a trust agreement requiring the bank or trust
34 company to apply the trust funds to the payment, as and when due, of total
35 debt service requirements of the obligations being refunded. If the bank or
36 trust company is not the paying agent for the obligations being refunded, the

1 trust agreement shall require it to pay over trust moneys to the paying agent
2 as and when required for the timely meeting of total debt service
3 requirements of the obligations being refunded.

4 (2)(A) As used in this section, "investment securities" means
5 direct obligations of, or obligations the principal of and interest on which
6 are fully guaranteed by, the United States, maturing and bearing interest at
7 such times and in such amounts as, together with uninvested trust moneys,
8 will make available sufficient moneys to meet, as and when due, total debt
9 service requirements of the obligations being refunded.

10 (B) In determining the sufficiency of the trust deposit,
11 the principal amount of the investment securities and the interest to be
12 earned on them shall be considered.

13
14 19-6-302. Sale when old bonds cannot be presented.

15 (a)(1) Where refunding bonds are to be issued by a municipality,
16 county, state-supported educational institution, or improvement district of
17 any kind and the bonds to be refunded cannot be presented for payment and
18 cancellation simultaneously with the payment and delivery of the refunding
19 bonds, the refunding bonds may be delivered when the purchase money is
20 deposited into trust.

21 (2) The purchase money may be deposited for the purpose of
22 payment of the principal of and interest on the bonds to be refunded with an
23 insured bank or trust company in the state that is otherwise fully qualified
24 to receive trust funds if the bonds to be refunded have fixed maturity dates
25 of not to exceed twelve (12) months from the date of the payment and delivery
26 of the refunding bonds or if the bonds are redeemable before maturity and
27 have been duly called for payment.

28 (b) If the bank or trust company is not the paying agent for the bonds
29 to be refunded, the purchase money shall be paid over by it to the paying
30 agent three (3) days before the maturity of the bonds or three (3) days
31 before the date for which the bonds have been called for payment.

32
33 19-6-303. Private sale to United States.

34 Refunding bonds authorized to be sold by the State of Arkansas or an
35 agency or instrumentality of the state at public sale, notwithstanding the
36 provision for public sale, nevertheless may be sold to the United States or

1 an agency of the United States at private sale without public advertisement
2 if the bonds are sold at not less than par and at a rate of interest not
3 greater than the rate borne by the bonds to be refunded.

4
5 19-6-304. Interest rate.

6 (a) A county, school district, improvement district, or municipality
7 may refund bonds issued under statutory or constitutional authority at any
8 time outstanding by the issuance of bonds bearing a rate or rates of interest
9 that the issuer deems to be just and fair, whether or not greater than the
10 rate or rates of interest borne by the bonds being refunded.

11 (b) Bonds shall not be refunded at a rate of interest greater than the
12 maximum rate set by the statutes or constitutional provision under which the
13 bonds were originally authorized.

14
15 19-6-305. Conversion privilege.

16 The refunding bonds may be issued with the privilege of conversion to a
17 lower rate or rates of interest if the issuer receives no less and pays no
18 more than the issuer would receive or pay if the bonds were not converted.
19 The conversion is subject to the approval of the issuer.

20
21 19-6-306. Inclusion of redemption premiums in principal.

22 The State of Arkansas, an agency of the state, a county, a
23 municipality, a school district, an improvement district of any kind, or any
24 other political subdivision of the state, which may be called "issuing
25 authorities", may include in the principal of refunding bonds the amount of
26 redemption premiums required to be paid to accomplish the redemption of the
27 bonds being refunded.

28
29 Subchapter 4 – Registered Public Obligations Act of Arkansas

30
31 19-6-401. Title.

32 This subchapter shall be known and may be cited as the "Registered
33 Public Obligations Act of Arkansas".

34
35 19-6-402. Purpose.

36 (a) The Internal Revenue Code, 26 U.S.C. § 1 et seq., provides that

1 interest with respect to certain obligations may not be exempt from federal
2 income taxation unless the obligations are in registered form. It is
3 therefore a matter of state concern that public entities be authorized to
4 provide for the issuance of obligations in such form. It is a purpose of this
5 subchapter to empower all public entities to establish and maintain a system
6 pursuant to which obligations may be issued in registered form within the
7 meaning of the applicable provisions of the Internal Revenue Code, 26 U.S.C.
8 § 1 et seq.

9 (b) Obligations have traditionally been issued in bearer rather than
10 in registered form, and a change from bearer to registered form may affect
11 the relationships, rights, and duties of issuers of and the persons that deal
12 with obligations and, by such effect, the costs of issuing obligations. Such
13 effects will impact the various issuers and varieties of obligations
14 differently depending upon their legal and financial characteristics, their
15 markets, and their adaptability to recent and prospective technological and
16 organizational developments. It is therefore a matter of state concern that
17 public entities be provided flexibility in the development of such systems
18 and control over system incidents so as to accommodate the different impacts.
19 It is a purpose of this subchapter to empower the establishment, maintenance,
20 and amendment, from time to time, of differing systems of registration of
21 obligations so as to accommodate the differing impacts upon issuers and
22 varieties of obligations. It is further a purpose of this subchapter to
23 authorize systems that will facilitate the prompt and accurate transfer of
24 registered public obligations and develop practices with regard to the
25 registration and transfer of registered public obligations.

26

27 19-6-403. Definitions.

28 As used in this subchapter:

29 (1) "Authorized officer" means any individual required or
30 permitted, alone or with others, by any provision of law or by the issuing
31 public entity, to execute, on behalf of the public entity, a certificated
32 registered public obligation or a writing relating to an uncertificated
33 registered public obligation;

34 (2) "Certificated registered public obligation" means a
35 registered public obligation that is represented by an instrument;

36 (3) "Facsimile seal" means the reproduction by engraving,

1 imprinting, stamping, or by other means of the seal of the issuer, official,
2 or official body;

3 (4) "Facsimile signature" means the reproduction by engraving,
4 imprinting, stamping, or by other means of a manual signature;

5 (5) "Financial intermediary" means a bank, broker, clearing
6 corporation, or other person, or the nominee of any of them, that in the
7 ordinary course of its business maintains registered public obligation
8 accounts for its customers, when so acting;

9 (6) "Issuer" means a public entity that issues an obligation;

10 (7) "Obligation" means an agreement of a public entity to pay
11 principal and any interest on the principal, whether in the form of a
12 contract to repay borrowed money, a lease, an installment purchase agreement,
13 or otherwise and includes a share, participation, or other interest in any
14 such agreement;

15 (8) "Official actions" means the actions by statute, order,
16 ordinance, resolution, contract, or other authorized means by which the
17 issuer provides for issuance of a registered public obligation;

18 (9) "Official or official body" means the officer or board that
19 is empowered under the laws of one (1) or more states, including this state,
20 to provide for original issuance of an obligation of the issuer by defining
21 the obligation and its terms, conditions, and other incidents, the successor
22 of any such official or official body, and such other person or group of
23 persons as shall be assigned duties of an official or official body with
24 respect to a registered public obligation under applicable law from time to
25 time;

26 (10)(A) "Public entity" means an entity, department, or agency
27 that is empowered under the laws of one (1) or more states, territories,
28 possessions of the United States, or the District of Columbia, including this
29 state, to issue obligations, any interest with respect to which, under any
30 provision of law, may be provided an exemption from the income tax referred
31 to in the Internal Revenue Code, 26 U.S.C. § 1 et seq.

32 (B) "Public entity" includes without limitation this
33 state, an entity deriving powers from and acting pursuant to the Arkansas
34 Constitution or a special legislative act, a political subdivision, a
35 municipal corporation, a state university or college, a school or other
36 special district, a joint agreement entity, a public authority, a public

1 facilities board, a nonprofit corporation, and other organizations;

2 (11) "Registered public obligation" means an obligation issued
3 by a public entity pursuant to a system of registration;

4 (12) "System of registration" and its variants means a plan that
5 provides:

6 (A) With respect to a certificated registered public
7 obligation, that:

8 (i) The certificated registered public obligation
9 specifies a person entitled to the registered public obligation and the
10 rights it represents; and

11 (ii) Transfer of the certificated registered public
12 obligation and the rights it represents may be registered upon books
13 maintained for that purpose by or on behalf of the issuer; and

14 (B) With respect to an uncertificated registered public
15 obligation, that:

16 (i) Books maintained by or on behalf of the issuer
17 for the purpose of registration of the transfer of a registered public
18 obligation specify a person entitled to the registered public obligation and
19 the rights evidenced thereby; and

20 (ii) Transfer of the uncertificated registered
21 public obligation and the rights evidenced thereby be registered upon the
22 book; and

23 (13) "Uncertificated registered public obligation" means a
24 registered public obligation that is not represented by an instrument.

25

26 19-6-404. Applicability.

27 (a) Unless at any time before or at original issuance of a registered
28 public obligation the official or official body of the issuer determines
29 otherwise, this subchapter applies to the registered public obligation,
30 notwithstanding any provision of law to the contrary. When this subchapter is
31 applicable, no contrary provision applies.

32 (b) This subchapter does not limit or prevent the issuance of
33 obligations in any other form or manner authorized by law.

34 (c) Unless determined otherwise pursuant to subsection (a) of this
35 section, this subchapter applies with respect to obligations that have been
36 approved by vote, referendum, or hearing that authorizes or permits the

1 authorization of obligations in bearer and registered form or in bearer form
2 only. These obligations need not be resubmitted for a further vote,
3 referendum, or hearing for the purpose of authorizing or permitting the
4 authorization of registered public obligations pursuant to this subchapter.
5

6 19-6-405. Construction.

7 (a) This subchapter shall be liberally construed to accomplish the
8 intent and purposes of this subchapter and is the sole authority required for
9 the accomplishment of those purposes.

10 (b) This subchapter shall be construed in conjunction with the Uniform
11 Commercial Code, § 4-1-101 et seq., and the principles of contract law
12 relative to the registration and transfer of obligations.
13

14 19-6-406. System of registration.

15 (a)(1) Each issuer may establish and maintain a system of registration
16 with respect to each obligation that it issues. The system of registration
17 may either be a system pursuant to which:

18 (A) Only certificated registered public obligations are
19 issued;

20 (B) Only uncertificated registered public obligations are
21 issued; or

22 (C) Both certificated registered public obligations and
23 uncertificated registered public obligations are issued.

24 (2) The issuer may amend, discontinue, and reinstitute any
25 system of registration, from time to time, subject to covenants.

26 (b) The system of registration shall be established, amended,
27 discontinued, or reinstated for the issuer by, and shall be maintained for
28 the issuer as provided by, the official or official body.

29 (c) The system of registration shall be described in the registered
30 public obligation or in the official actions that provide for original
31 issuance of the registered public obligation and in subsequent official
32 actions providing for amendments and other matters from time to time. The
33 description may be by reference to a program of the issuer that is
34 established by the official or official body.

35 (d)(1) The system of registration shall define the methods by which
36 transfer of the registered public obligation shall be effective with respect

1 to the issuer and by which payment of principal and any interest shall be
2 made.

3 (2) The system of registration may:

4 (A) Permit the issuance of registered public obligations
5 in any denomination to represent several registered public obligations of
6 smaller denominations; and

7 (B)(i) Provide for:

8 (a) The form of any certificated registered
9 public obligation or of any writing relating to an uncertificated registered
10 public obligation;

11 (b) Identifying numbers or other designations;

12 (c) A sufficient supply of certificates for
13 subsequent transfers;

14 (d) Record and payment dates;

15 (e) Varying denominations;

16 (f) Communications to holders or owners of
17 obligations; and

18 (g) Accounting, cancelled certificate
19 destruction, registration and release of security interests, and other
20 incidental matters.

21 (ii) Unless the issuer otherwise provides, the
22 record date for interest payable on the first or fifteenth day of a month
23 shall be the fifteenth day or the last business day of the preceding month,
24 respectively, and for interest payable on other than the first or fifteenth
25 day of a month, shall be the fifteenth calendar day before the interest
26 payment date.

27 (e) Under a system of registration pursuant to which both certificated
28 registered public obligation and uncertificated registered public obligations
29 are issued, both types of registered public obligations may be regularly
30 issued, or one (1) type may be regularly issued and the other type issued
31 only under described circumstances or to particular described categories of
32 owners. Provision may be made for registration and release of security
33 interest in registered public obligations.

34 (f) The system of registration may include covenants of the issuer as
35 to amendments, discontinuances, and reinstatutions of the system of
36 registration and the effect of such on the exemption of interest from the

1 income tax provided for by the Internal Revenue Code, 26 U.S.C. § 1 et seq.

2 (g) Whenever an issuer issues an uncertificated registered public
3 obligation, the system of registration may provide that a true copy of the
4 official actions of the issuer relating to the uncertificated registered
5 public obligations be maintained by the issuer or by the person, if any,
6 maintaining the system of registration on behalf of the issuer, so long as
7 the uncertificated registered public obligation remains outstanding and
8 unpaid. A copy of these official actions, verified to be such by an
9 authorized officer, are admissible before any court of record, administrative
10 body, or arbitration panel without further authentication.

11 (h) This subchapter does not preclude a conversion from one of the
12 forms of registered public obligations provided for by this subchapter to a
13 form of obligation not provided for by this subchapter if interest on the
14 obligation so converted will continue to be exempt from the income tax
15 provided for by the Internal Revenue Code, 26 U.S.C. § 1 et seq.

16 (i) The rights provided by other laws with respect to obligations in
17 forms not provided for by this subchapter, to the extent not inconsistent
18 with this subchapter, shall apply with respect to registered public
19 obligations issued in forms authorized by this subchapter.

20
21 19-6-407. Signatures required.

22 (a)(1) A certificated registered public obligation shall be executed
23 by the issuer by the manual or facsimile signatures of authorized officers.

24 (2) A signature of an authorized officer may be attested by the
25 manual or facsimile signature of another authorized officer.

26 (b) In addition to the signatures referred to in subsection (a) of
27 this section, a certificated registered public obligation or any writing
28 relating to an uncertificated registered public obligation may include a
29 certificate signed by the manual or facsimile signature of an authenticating
30 agent, registrar, transfer agent, or the like.

31 (c) At least one (1) signature of an authorized officer or other
32 person required or permitted to be placed on a certificated registered public
33 obligation shall be a manual signature.

34
35 19-6-408. Signature of predecessor in office.

36 (a) A certificated registered public obligation signed by the

1 authorized officers at the time of the signing of the certificated registered
2 public obligation remains valid and binding, notwithstanding that before the
3 issuance thereof any of the officers had ceased to fill their respective
4 offices.

5 (b)(1) An authorized officer empowered to sign any certificated
6 registered public obligation may adopt as and for the signature of the
7 officer the signature of a predecessor in office if the predecessor's
8 signature appears on the certificated registered public obligation.

9 (2) An authorized officer incurs no liability by adoption of a
10 predecessor's signature that would not be incurred by the authorized officer
11 if the signature were that of the authorized officer.

12

13 19-6-409. Seal.

14 When a seal is required or permitted in the execution of a certificated
15 registered public obligation, an authorized officer may cause the seal to be
16 printed, engraved, stamped, or otherwise placed in facsimile on the
17 certificated registered public obligation. The facsimile seal has the same
18 legal effect as the impression of the seal.

19

20 19-6-410. Appointment of agents by issuer.

21 (a)(1) An issuer may:

22 (A) Appoint for such term as may be agreed, including for
23 so long as a registered public obligation may be outstanding, corporate or
24 other authenticating agents, transfer agents, registrars, and paying or other
25 agents; and

26 (B) Specify the terms of the corporate or other
27 authenticating agents, transfer agents, registrars, and paying or other
28 agents' appointment, including their rights, their compensation and duties,
29 limits upon their liabilities, and provision for their payment of liquidated
30 damages in the event of breach of certain of the duties imposed. These
31 liquidated damages may be made payable to the issuer, the owner, or a
32 financial intermediary.

33 (2) Corporate or other authenticating agents, transfer agents,
34 registrars, and paying or other agents appointed under this section do not
35 have to have an office or do business within this state.

36 (b)(1) An issuer may agree with custodian banks and financial

1 intermediaries, and nominees of any of them, in connection with the
2 establishment and maintenance by others of a central depository system for
3 the transfer of pledge of registered public obligations.

4 (2) Any such custodian banks and financial intermediaries, and
5 nominees, if qualified and acting as fiduciaries, may also serve as
6 authenticating agents, transfer agents, registrars, or paying or other agents
7 of the issuer with respect to the same issue of registered public
8 obligations.

9 (c) This section does not preclude the issuer from performing, either
10 alone or jointly with other issuers, a transfer, registration,
11 authentication, payment, or other function described in this section.

12
13 19-6-411. Payment of costs.

14 (a)(1) Before or at original issuance of registered public
15 obligations, an issuer may provide as a part of a system of registration
16 that:

17 (A) The transferor or transferee of the registered public
18 obligations pay all or a designated part of the costs of the system of
19 registration as a condition precedent to transfer;

20 (B) Costs be paid out of proceeds of the registered public
21 obligations; or

22 (C) Both methods in subdivisions (a)(1)(A) and (B) of this
23 section be used.

24 (2) The issuer is liable for the portion of the costs of the
25 system of registration not provided to be paid for by the transferor or
26 transferee or out of proceeds.

27 (b) As a part of a system of registration, the issuer may provide for
28 reimbursement or for satisfaction of its liability by payment by others. The
29 issuer may:

30 (1) Enter into agreements with others respecting the
31 reimbursement or payment;

32 (2) Establish fees and charges pursuant to the agreements or
33 otherwise; and

34 (3) Provide that the amount or estimated amount of the fees and
35 charges shall be reimbursed or paid from the same sources and by means of the
36 same collection and enforcement procedures and with the same priority and

1 effect as with respect to the obligations.

2
3 19-6-412. Reciprocal recognition for obligations.

4 Obligations issued by public entities under the laws of one (1) or more
5 states, territories, possessions, or the District of Columbia, which are in
6 registered form, whether or not represented by an instrument, and which,
7 except for their form, satisfy the requirements with regard to security for
8 deposits of moneys of public agencies prescribed pursuant to any law of this
9 state, satisfy all such requirements, even though they are in registered
10 form, if a security interest in the obligations is perfected on behalf of the
11 public agencies whose moneys are so deposited.

12
13 19-6-413. Registration records.

14 (a) With regard to the ownership of or security interest in registered
15 public obligations, records are not subject to inspection or copying under
16 any law of this state relating to the right of the public to inspect or copy
17 public records, notwithstanding any law to the contrary.

18 (b) Registration records of the issuer may be maintained at locations
19 within or without this state that the issuer determines.

20
21 19-6-414. Exemption of interest from taxation.

22 The state covenants with the owners of registered public obligations
23 that it will not amend or repeal this subchapter if the effect may be to
24 impair the exemption from income taxation of interest on registered public
25 obligations.

26
27 Subchapter 5 – Revenue Bond Reporting Act

28
29 19-6-501. Title.

30 This subchapter shall be known and may be cited as the “Revenue Bond
31 Reporting Act”.

32
33 19-6-502. Annual report.

34 (a) All state and local agencies, boards, commissions, institutions of
35 higher education, and authorities authorized by the state and cities and
36 counties shall annually file a report with the State Board of Finance, on or

1 before October 1, reflecting any revenue bonds that have been issued and have
2 not been liquidated as of the preceding July 1 by those governmental units.

3 (b) The report shall contain:

4 (1) The purpose for which the revenue bonds were issued;
5 (2) The total dollar amount issued;
6 (3) The percentage interest rate payable under the revenue
7 bonds;

8 (4) The total dollar amount outstanding;

9 (5) The repayment schedule; and

10 (6) The source, type, and amount of pledged revenues for the
11 bonds.

12 (c) The Secretary of the State Board of Finance shall compile a
13 summary report of all revenue bonds from information provided under this
14 section and present the summary report to the Legislative Council as soon as
15 practicable after each October 1.

16
17 Subchapter 6 – Revenue Bond Act of 1987

18
19 19-6-601. Title.

20 This subchapter shall be known and may be cited as the “Revenue Bond
21 Act of 1987”.

22
23 19-6-602. Legislative determination.

24 The people of the State of Arkansas, by the adoption of Arkansas
25 Constitution, Amendment 65, have expressed their intention to provide
26 governmental units expanded power and authority with respect to the creation
27 of bonded indebtedness for capital improvements of a public nature,
28 facilities for the securing and developing of industry or agriculture, and
29 other purposes as defined and prescribed by the General Assembly.

30
31 19-6-603. Legislative intent.

32 It is the specific intent of this subchapter that the provisions of
33 this subchapter are procedural only and are supplemental to other
34 constitutional or statutory provisions now existing or hereafter adopted that
35 may authorize the issuance of revenue bonds for the financing of capital
36 improvements. This subchapter is not a restriction or limitation upon

1 alternative means of financing previously available or hereafter made
2 available to municipalities or counties for the purposes set forth in this
3 subchapter.

4

5 19-6-604. Definitions.

6 As used in this subchapter:

7 (1) "Bonds" or "revenue bonds" means:

8 (A) Bonds issued pursuant to an act of the General
9 Assembly under the authority of Arkansas Constitution, Amendment 65; and

10 (B) All bonds or other obligations, the repayment of which
11 are secured by rents, loan payments, user fees, charges, or other revenues
12 derived from any special fund or source other than assessments for local
13 improvements and taxes;

14 (2) "Capital improvements of a public nature" or "capital
15 improvements" means, whether obtained by purchase, lease, construction,
16 reconstruction, restoration, improvement, alteration, repair, or other means:

17 (A) Any physical public betterment or improvement or any
18 preliminary plans, studies, or surveys relative thereto;

19 (B) Lands or rights in land, including without limitation
20 leases, air rights, easements, rights-of-way, or licenses; and

21 (C) Any furnishings, machinery, vehicles, apparatus, or
22 equipment for any public betterment or improvement, including without
23 limitation:

24 (i) Any facilities for state agencies, city or town
25 halls, courthouses and other administrative, executive, or other public
26 offices;

27 (ii) Court facilities;

28 (iii) Jails;

29 (iv) Firefighting facilities and apparatus;

30 (v) Public health facilities and apparatus;

31 (vi) Hospitals, nursing homes, and similar extended
32 care facilities;

33 (vii) Residential housing for low and moderate
34 income, elderly persons or individuals with disabilities and their families;

35 (viii) Parking garages or other facilities;

36 (ix) Educational and training facilities for public

1 employees;

2 (x) Auditoriums, stadiums, convention halls, and

3 similar public meeting or entertainment facilities;

4 (xi) Ambulance and other emergency medical service

5 facilities;

6 (xii) Civil defense facilities;

7 (xiii) Air and water pollution control facilities;

8 (xiv) Drainage and flood control facilities;

9 (xv) Storm sewers;

10 (xvi) Arts and crafts centers;

11 (xvii) Museums;

12 (xviii) Libraries;

13 (xix) Public parks, playgrounds, or other public

14 open space;

15 (xx) Marinas;

16 (xxi) Swimming pools, tennis courts, golf courses,

17 camping facilities, gymnasiums, and other recreational facilities;

18 (xxii) Tourist information and assistance centers;

19 (xxiii) Historical, cultural, natural, or folklore

20 sites;

21 (xxiv) Fair and exhibition facilities;

22 (xxv) Streets and street lighting, alleys,

23 sidewalks, roads, bridges, and viaducts;

24 (xxvi) Airports, passenger or freight terminals,

25 hangars, and related facilities;

26 (xxvii) Barge terminals, ports, harbors, ferries,

27 wharves, docks, and similar marine services;

28 (xxviii) Slack water harbors, water resource

29 facilities, waterfront development facilities, and navigation facilities;

30 (xxix) Public transportation facilities;

31 (xxx) Public water systems and related transmission

32 and distribution facilities, storage facilities, wells, impounding

33 reservoirs, treatment plants, lakes, dams, watercourses, and water rights;

34 (xxxii) Sewage collection systems and treatment

35 plants;

36 (xxxiii) Maintenance and storage buildings and

1 facilities;

2 (xxxiii) Police and sheriff stations, apparatus, and

3 training facilities;

4 (xxxiv) Incinerators;

5 (xxxv) Garbage and solid waste disposal, compacting,

6 and recycling facilities of every kind;

7 (xxxvi) Gas and electric generation, transmission,

8 and distribution systems, including without limitation hydroelectric

9 generating facilities, dams, powerhouses, and related facilities; and

10 (xxxvii) Social and rehabilitative facilities;

11 (3) "Governing body" means:

12 (A) With respect to any governmental unit defined in

13 subdivision (4)(A) of this section, the Governor;

14 (B) With respect to any governmental unit defined in

15 subdivision (4)(B) of this section, the:

16 (i) County court of a county;

17 (ii) Board of directors of a regional water

18 distribution district, regional wastewater district, or regional solid waste

19 management district; or

20 (iii) Council, board of directors, board of

21 commissioners, or similar elected body of a city or town; and

22 (C) With respect to an authority created under the

23 Regional Airport Act, § 14-362-101 et seq. between two (2) or more political

24 subdivisions of the State of Arkansas, the Governor, the county court of a

25 county participating in the agreement, or the council, board of directors,

26 board of commissioners, or similar elected body of a city or town

27 participating in the agreement;

28 (4) "Governmental unit" means:

29 (A) The State of Arkansas or an agency or other

30 instrumentality of the state other than an institution of higher education;

31 and

32 (B) A county, municipality, regional water distribution

33 district, regional wastewater district, regional solid waste management

34 district, or other political subdivision of the state, or an agency or

35 instrumentality of a political subdivision of the state; and

36 (5)(A) "Industrial enterprise" means facilities for

1 manufacturing, producing, processing, assembling, repairing, extracting,
2 warehousing, distributing, communications, computer services, transportation,
3 corporate and management offices, and services provided in connection with
4 any of the foregoing, in isolation or in any combination, that involve the
5 creation of new or additional employment or the retention of existing
6 employment, and industrial parks.

7 (B) "Industrial enterprise" does not include a shopping
8 center, retail store, shop, or other similar undertaking that is solely or
9 predominantly of a commercial retail nature.

10
11 19-6-605. Construction.

12 This subchapter shall be construed liberally to effectuate the
13 legislative intent and the purposes of this subchapter as complete and
14 independent authority for the performance of each act and thing authorized in
15 this subchapter. All powers granted in this subchapter shall be broadly
16 interpreted to effectuate that intent and those purposes and not as a
17 limitation of powers.

18
19 19-6-606. Proclamation, order, etc., authorizing issuance of bonds.

20 (a) When a governmental unit determines the need to issue bonds for
21 capital improvements of a public nature or industrial enterprise, the
22 governing body shall authorize the issuance of those bonds by proclamation,
23 order, ordinance, or resolution clearly stating the principal amount of and
24 the purpose or purposes for which the bonds are to be issued.

25 (b)(1) Only upon the proclamation, order, ordinance, or resolution of
26 the governing body shall the governmental unit be authorized to issue the
27 bonds.

28 (2) A proclamation, order, ordinance, or resolution is not
29 required for the issuance of refunding bonds, including refunding bonds when
30 the principal amount of the new bonds to be issued exceeds the outstanding
31 principal amount of the prior bonds or notes to be refunded.

32
33 19-6-607. Hearing.

34 (a) A proclamation, order, or ordinance prescribed by § 19-6-606 shall
35 be not entered by a governing body until the governing body, the governmental
36 unit, or the delegate of either has conducted a public hearing:

1 enhancing the marketability of the bonds;

2 (2) The continued ability of governmental units to provide for
3 the financing of public improvements and other projects and programs that
4 serve important public purposes by the issuance of bonds is essential for the
5 health, welfare, and economic well-being of the people of the State of
6 Arkansas;

7 (3) By the adoption of the Internal Revenue Code, 26 U.S.C. § 1
8 et seq., the United States Congress has substantially limited the purposes
9 for which bonds may be issued with interest exempt from federal income
10 taxation and imposed other restrictive provisions as a condition of the
11 exemption. Additionally, under the authority of *South Carolina v. Baker*, the
12 United States Congress may be expected to enact other laws and effect changes
13 in federal tax policy to eliminate or further reduce the exemption of
14 interest on bonds of governmental units from federal income taxation, with
15 the result that, to provide financing for public purposes, governmental units
16 may now find it in their best interests to issue bonds the interest on which
17 is not exempt from federal income taxation;

18 (4) Under the Arkansas Constitution and existing laws of this
19 state, governmental units have had, and continue to have, the power to issue
20 bonds without respect to whether the interest thereon is subject to federal
21 income taxation. However, many statutes applicable to governmental units lack
22 effective, modern procedures under which the structure of a taxable financing
23 may comply with current market practices, obtain the lowest effective
24 borrowing cost, or provide terms most suitable to the governmental unit, the
25 project, or the financing program; and

26 (5) The purposes sought to be achieved by this subchapter are to
27 provide governmental units with all means necessary to obtain financing for
28 public purposes under the changing circumstances related to future tax policy
29 of the federal government and to supplement and complement the provisions of
30 existing and future laws authorizing the issuance of bonds, to the end that
31 governmental units may provide for the health, safety, and welfare of the
32 people by the issuance of bonds under terms and conditions necessary under
33 the then-existing conditions.

34

35 19-6-703. Definitions.

36 As used in this subchapter:

1 (1) "Bonds" means any bonds, issued pursuant to the Arkansas
2 Constitution and pursuant to an act of the General Assembly heretofore or
3 hereafter enacted, and means all debentures, notes, warrants, tax
4 anticipation notes, bond anticipation notes, commercial paper, or other
5 evidence of indebtedness or leases, installment purchase contracts, or other
6 agreements or certificates of participation therein issued by or on behalf of
7 a governmental unit, secured by revenues from any special fund or source or
8 assessments for local improvements and taxes;

9 (2) "Foreign currency" means currency, euros, or money other
10 than the legal tender of the United States;

11 (3)(A) "Governmental unit" means the State of Arkansas, a
12 department, board, commission, or other agency or instrumentality of the
13 state, or a county, municipality, school district, regional water
14 distribution district, improvement district, public trust, or other political
15 subdivision of the state, heretofore or hereafter created, or a board,
16 commission, authority, or other public agency or instrumentality of a
17 governmental unit that is now or hereafter authorized by law to issue bonds.

18 (B) This subchapter does not give a department, board,
19 commission, or other agency of the state any additional authority to issue
20 bonds or take any action independently and without acting by or through the
21 State Board of Finance if the participation of the board is otherwise
22 required by the law under authority of which the bonds are issued; and

23 (4) "Taxable bonds" means bonds the interest on which is not, in
24 any manner, exempt from federal income taxation or excludable from gross
25 income for federal income tax purposes.

26
27 19-6-704. Subchapter supplemental – Effect on other state laws or on
28 previously issued bonds.

29 (a) This subchapter is supplemental to all other provisions of state
30 law governing the issuance of bonds by any governmental unit and, except as
31 otherwise provided in this subchapter, the provisions of state law governing
32 the issuance of bonds by any governmental unit shall continue to apply to the
33 issuance by the governmental unit of taxable bonds.

34 (b) This subchapter does not broaden or otherwise alter any provisions
35 of state law as they relate to the issuance of the bonds the interest on
36 which is, in some manner, exempt or excludable from federal income taxation.

1 (c) The reference in this subchapter to law providing authority for
2 issuance of bonds means laws now in effect and as hereafter enacted or
3 amended by the General Assembly.

4 (d) This subchapter does not impugn the validity of any taxable bonds
5 heretofore issued.

6
7 19-6-705. Construction.

8 This subchapter shall be liberally construed to effectively carry out
9 the purposes of this subchapter.

10
11 19-6-706. Issuance of bonds authorized.

12 A governmental unit may issue taxable bonds for any purpose permitted
13 by the law heretofore or hereafter enacted under authority of which the
14 taxable bonds are issued, whether those purposes are set forth in each law by
15 specific category or by a general authorization to accomplish public
16 purposes.

17
18 19-6-707. Ordinance, resolution, indenture, etc.

19 The ordinance, resolution, indenture, agreement, or other instrument
20 providing for the issuance of taxable bonds may provide for any of the
21 following:

22 (1) The bonds shall be in such denominations, in such form,
23 either bearer or registered, and payable at such place or places, either
24 within or without the United States, at such time or times, as, in each case,
25 the governmental unit determines, subject to any limitations on the maturity
26 of bonds set forth in the law under authority of which the bonds are issued;

27 (2) The bonds shall be payable in legal tender of the United
28 States, in a foreign currency, in commodities, or in precious metals, as the
29 governmental unit determines;

30 (3) In connection with the bond issue, the governmental unit may
31 appoint:

32 (A) A cotrustee located outside of the boundaries of the
33 United States or its territories or possessions so long as it also appoints a
34 trustee otherwise meeting the requirements of the statutes under authority of
35 which the bonds are issued; and

36 (B) A paying agent or a copaying agent located outside the

1 boundaries of the United States or its territories or possessions;

2 (4)(A) In connection with, or incidental to, the sale and
3 issuance of bonds, the governmental unit may enter into any contracts that it
4 determines to be necessary or appropriate to achieve a desirable effective
5 interest rate in connection with the bonds by means of, but not limited to,
6 contracts commonly known as investment contracts, funding agreements,
7 interest rate swap agreements, currency swap agreements, forward payment
8 conversion agreements, futures, or contracts providing for payments based on
9 levels of or changes in interest rates, or contracts to exchange cash flows
10 or a series of payments, or contracts, including, without limitation,
11 options, puts or calls, whether or not used to hedge payment, rate, spread,
12 or similar exposure.

13 (B) Contracts or arrangements as described under
14 subdivision (4)(A) of this section:

15 (i) May also be entered into by governmental units
16 in connection with, or incidental to, entering into any agreement that
17 secures bonds or provides liquidity therefor; and

18 (ii) Shall be made upon the terms and conditions
19 established by the governmental unit, after giving due consideration for the
20 credit worthiness of the counterparties, when applicable, including any
21 rating by a nationally recognized rating service or any other criteria as may
22 be appropriate;

23 (5) In connection with, or incidental to, the sale and issuance
24 of the bonds, or entering into any of the contracts or arrangements referred
25 to in subdivision (4) of this section, the governmental unit may enter into
26 the credit enhancement or liquidity agreements, with payment, interest rate,
27 security, default, remedy, and other terms and conditions that the
28 governmental unit determines; and

29 (6) Notwithstanding any provisions of state law relating to the
30 investment or reinvestment of surplus funds of a governmental unit, proceeds
31 of the bonds and any moneys set aside or pledged to secure payment of the
32 principal of, premium, if any, and interest on the bonds, or any of the
33 contracts entered into pursuant to subdivision (4) of this section, may be
34 invested in securities or obligations described in the ordinance or
35 resolution providing for the issuance of the bonds.

36

1 19-6-708. Sale.

2 The bonds may be sold at public or private sale. If the governmental
3 unit determines that a negotiated sale of the taxable bonds is in the best
4 interest of the governmental unit, the governmental unit may negotiate for
5 the sale of the taxable bonds.

6

7 19-6-709. Proceeds – Use.

8 (a) The proceeds of an issue of taxable bonds and the investment
9 earnings on the proceeds shall be used in the manner and to the extent
10 specified in the ordinance or resolution providing for the issuance of the
11 taxable bonds, by the governmental unit issuing the taxable bonds for a
12 purpose specified for the issuance of taxable bonds in the law under
13 authority of which the taxable bonds are issued.

14 (b) Notwithstanding subsection (a) of this section, invested or
15 reinvested proceeds of an issue of taxable bonds shall be deemed to have been
16 expended for a purpose specified for the issuance of taxable bonds in the law
17 under authority of which the taxable bonds are issued if the earnings on the
18 proceeds and proceeds of liquidation of the investments are acquired with the
19 proceeds, to the extent that they are:

20 (1) Applied to pay or service debt service on the taxable bonds;
21 or

22 (2) Applied toward that purpose.

23 (c) When the bond proceeds of taxable bonds are invested or reinvested
24 by the governmental unit in obligations permitted by this subchapter, the
25 issuance of the taxable bonds shall be deemed to be for a public purpose,
26 provided that the net proceeds of such an investment or reinvestment, after
27 sufficient provision is made for debt service on the taxable bonds, are then
28 applied to a purpose for which the governmental unit has authority to issue
29 taxable bonds and the governmental unit has determined upon appropriate
30 findings of fact that the application of net proceeds is for a public purpose
31 that the governmental unit may perform.

32

33 19-6-710. Refunding bonds.

34 Notwithstanding any provisions of state law relating to the investment
35 or reinvestment of surplus funds of any governmental unit or any more
36 restrictive provisions of the law under authority of which the bonds are

1 issued, the proceeds of taxable bonds issued to refund or advance refund a
2 prior issue or issues of bonds may be invested in securities or obligations
3 described in the ordinance or resolution providing for the issuance of the
4 refunding bonds.

5

6

CHAPTER 7

7

FEDERAL FUNDS

8

9 Subchapter 1. General Provisions

10 Subchapter 2. Receipt of Federal Funds Generally

11 Subchapter 3. Miscellaneous Federal Grant Act

12 Subchapter 4. Grant Application Review – Indirect Cost Reimbursements

13 Subchapter 5. Sale or Lease of Minerals, Oil, and Gas

14 Subchapter 6. Educational Funding

15

16

Subchapter 1 – General Provisions

17

18 19-7-101. Reports to Legislative Council.

19

20 (a) The Secretary of the Department of Finance and Administration
21 shall file quarterly reports with the Legislative Council itemizing and
22 summarizing all contracts or agreements entered into by the Governor with the
23 United States Government, or any agencies or instrumentalities of the federal
24 government, whereby the State of Arkansas is to participate in any program
25 involving the expenditure of federal funds, whether or not state funds are
26 obligated in connection therewith, with respect to new federal programs, or
27 expansion of existing federal programs that were not in existence or that
28 were not implemented by state participation, at the time of the adjournment
29 of the regular session of the General Assembly and entered into before the
30 convening of the next regular session of the General Assembly.

31

32

(b) With respect to each such contract or agreement, the report shall
list:

33

(1) A brief statement of the purposes of the contract or
agreement;

34

(2) The amount of federal funds to be expended under the
contract or agreement;

35

(3) The amount of any state matching funds required in

36

1 connection with the program, if any;

2 (4) The name of the agency or department that will administer
3 the program; and

4 (5) Any additional information that will enable the members of
5 the Legislative Council to determine the nature and purposes of the
6 agreement.

7

8 19-7-102. Legislative review of federal programs.

9 (a) The Legislative Council shall review the quarterly reports filed
10 by the Secretary of the Department of Finance and Administration as required
11 in § 19-7-701 and shall submit its findings and recommendations to each
12 succeeding regular session of the General Assembly for enabling legislation
13 to implement, restrict, or prohibit the state's participation in any such new
14 federal program or expanded federal program that was implemented by contract
15 or agreement entered into by the Governor subsequent to the adjournment of
16 the preceding session of the General Assembly.

17 (b)(1) If the next regular session of the General Assembly fails to
18 prohibit or restrict the state's participation in any such new or expanded
19 program implemented by contract or agreement signed by the Governor with the
20 United States Government during the interim between the immediately preceding
21 regular session of the General Assembly, then the state may continue to
22 participate in that federal program.

23 (2)(A) However, if the General Assembly restricts or prohibits
24 the state's participation in any such new or expanded federal program
25 implemented by contract or agreement subsequent to the last regular session,
26 it shall be unlawful for the state to continue to participate in, or to
27 expend any state funds in connection with, any such program.

28 (B) All contracts or agreements entered into by the
29 Governor or any department or agency of the state acting under authority of
30 the Governor shall be void, and the state's participation therein shall cease
31 upon the adjournment of the General Assembly or at such later date if a later
32 date for the termination of the state's participation therein has been
33 prescribed by law.

34

35 19-7-103. Control of college study programs and basic educational
36 grants.

1 (a) All state agencies, departments, and institutions receiving public
2 funds are charged with the responsibility of the handling, receipt, and
3 disbursement of these funds within their normal framework as provided by the
4 laws of the State of Arkansas. The control of these funds arising from the
5 federal programs of college work-study programs and basic educational
6 opportunity grants received by the named governmental entities within this
7 subchapter shall be within the daily control of the various administrators of
8 the state agencies, departments, and institutions.

9 (b)(1) The Division of Elementary and Secondary Education shall issue
10 rules for the administration of the funds received for college work-study
11 programs and basic educational opportunity grants for the vocational-
12 technical schools.

13 (2) The Division of Higher Education shall issue rules for the
14 administration of the funds received by state colleges and universities.

15 (3) The administration guidelines for the control of the funds
16 of these two (2) programs shall be treated within the fiscal management laws
17 of the State of Arkansas.

18 (4) Before these rules are implemented, the approval of the
19 Legislative Council and the Legislative Joint Auditing Committee shall be
20 obtained.

21 (c) All agreements made by state agencies with Arkansas Plan, Inc.,
22 are declared to be against public policy of the State of Arkansas, with such
23 agreements being null and void.

24 (d) A public servant who does not comply with the provisions of this
25 section commits a Class A misdemeanor. This offense is classified as
26 noncompliance with this section.

27 28 Subchapter 2 – Receipt of Federal Funds Generally

29
30 19-7-201. Sale of public lands generally.

31 From time to time, the Treasurer of State shall to draw for and receive
32 from the United States Secretary of the Treasury all sums of money that may
33 accrue to the state on account of the five percent (5%) of the net proceeds
34 of the sale of public lands of the United States lying within the State of
35 Arkansas.

36

1 19-7-202. Sale of public domain lands and leases.

2 (a) Funds received by the Treasurer of State from the federal
3 government on account of the sale of public domain lands from any funds
4 coming to the Treasurer of State from the Taylor Grazing Act, 43 U.S.C. §
5 315, shall be distributed to the respective counties in which the property is
6 situated.

7 (b)(1) Eighty percent (80%) of the funds of each county shall be
8 distributed to the school districts of the county in ratio to the leased
9 territory or public domain sold within the district.

10 (2) The remaining twenty percent (20%) of the funds for each
11 county shall be credited to the county road fund.

12 (c) The county treasurer shall make distribution of the school
13 districts' portion on an acreage basis or other equitable basis if the data
14 required for making a distribution of funds as provided in this section is
15 not available at the time funds are available for distribution.

16 (d)(1) The Treasurer of State shall distribute that portion of the
17 funds that accrue to the schools to the respective counties and distribute
18 the funds that accrue to the county road funds.

19 (2)(A) The county quorum court shall provide the county
20 treasurer with a statement showing the distribution of the funds in
21 accordance with law.

22 (B) Thereafter, the county treasurer shall credit the
23 respective school districts with the amounts indicated.

24
25 19-7-203. Lease of lands for flood control purposes.

26 All funds received by the Treasurer of State from the federal
27 government on account of the lease of lands acquired by the federal
28 government for flood control purposes, and distributed by the Treasurer of
29 State to the respective counties, shall be distributed by each county
30 receiving them as follows:

31 (1) Eighty percent (80%) of the funds received by each county
32 shall be distributed to the school districts in the county, with each school
33 district to receive the portion thereof that the flood control acreage in
34 that district bears to the total flood control acreage in all districts in
35 the county; and

36 (2) Twenty percent (20%) of the funds received by each county

1 shall be credited to the county road fund.

2

3 19-7-204. Revenues derived from forest reserves.

4 (a) All money paid into the State Treasury by the federal government
5 from the revenue derived from the forest reserves within this state for the
6 benefit of public schools and public roads, as provided by congressional act,
7 to the amount of fifty thousand dollars (\$50,000) or as much thereof as may
8 be so paid in, shall be appropriated as follows:

9 (1) Three-fourths ($\frac{3}{4}$) of the money received by the State
10 Treasury from the federal government from the revenues derived from the
11 forest reserves within this state shall be apportioned to the public schools
12 as provided in § 6-20-218 and Acts 1933, No. 104, § 2 [obsolete]; and

13 (2) The remaining one-fourth ($\frac{1}{4}$) shall be apportioned to the
14 public roads of the respective counties from which the money was derived.

15 (b)(1) On the first Monday in September of each year, the Auditor of
16 State shall draw his or her warrant on the State Treasury in favor of the
17 county treasurer in each county which has any funds from the forest reserve
18 revenue for the remaining one-fourth ($\frac{1}{4}$) of the money. The county treasurers
19 shall add it to the funds of their respective counties for the improvement of
20 the public roads.

21 (2) The Auditor of State's warrant shall be drawn upon a
22 certified copy of an order of the county court, directing the county
23 treasurer to draw the funds.

24

25 19-7-205. Geological and Conservation Federal Fund.

26 (a) There is created in the Treasurer of State's office a fund to be
27 known as the "Geological and Conservation Federal Fund".

28 (b) Federal funds as may be allotted to the Office of the State
29 Geologist shall be deposited into the fund.

30

31 19-7-206. Loans on agricultural products.

32 It is lawful for the Division of Correction and other state
33 institutions and the counties of the state that produce cotton or other
34 agricultural products to participate in government loans made available upon
35 these agricultural products. The superintendent of any such state institution
36 and the county judge of any such county may enter into the necessary papers

1 to secure the benefits of these government loans.

2
3 19-7-207. Proceeds from sale of lumber on military bases.

4 (a) All moneys received by the Treasurer of State from the United
5 States Government from the sale of lumber and timber products on United
6 States military installations shall be distributed to the respective counties
7 in which the property is situated.

8 (b)(1) Seventy-five percent (75%) of the moneys for each county shall
9 be distributed to the respective school districts of the county in the same
10 proportion that the lumber and timber products sold within that school
11 district have to the total of lumber and timber products sold in the county.

12 (2) The remaining twenty-five percent (25%) of the moneys for
13 each county shall be credited to the county road fund.

14 (3) The county treasurer shall make distribution of the school
15 districts' portions on an equitable basis if the data required for making
16 distribution of funds as provided in this section is not available at the
17 time funds are available for distribution.

18
19 Subchapter 3 – Miscellaneous Federal Grant Act

20
21 19-7-301. Title.

22 This subchapter shall be known and may be cited as the “Miscellaneous
23 Federal Grant Act”.

24
25 19-7-302. Procedure upon availability of unanticipated federal funds.

26 (a) If new or additional federal funds, new or additional
27 Comprehensive Employment and Training Act, or its successor's, funds, or
28 changes in state use of appropriations for programs combined into block
29 grants from the United States Government become necessary, or if new federal
30 programs or new Comprehensive Employment and Training Act, or its
31 successor's, programs are initiated that are not authorized or contemplated
32 in the biennial operations appropriation act for the benefiting state agency
33 and such changes make it necessary that the benefiting state agency employ
34 additional personnel or require additional appropriations to expend these
35 funds in order to carry out the objectives of the federal programs or to meet
36 federal requirements, then the head of the affected state agency may request

1 the approval of the Governor and the Chief Fiscal Officer of the State, as
2 provided in this section, for additional appropriations of one (1) or more
3 new or additional salaried positions to be utilized by that respective
4 agency. The salary rates for these positions shall not exceed the highest
5 maximum annual salary rate or the highest grade level position authorized in
6 the salary schedule of the requesting agency's biennial appropriation act for
7 operations, as governed by the Uniform Classification and Compensation Act, §
8 21-5-201 et seq.

9 (b) In the case of those agencies, departments, or institutions, that
10 are specifically exempt from the provisions of the Uniform Classification and
11 Compensation Act, § 21-5-201 et seq., such new or additional employees shall
12 be established at salary rates not to exceed the maximum established in the
13 salary schedule of the biennial operations appropriation act for the
14 respective agency for comparable positions. The additional positions shall
15 not exceed the maximum number of positions authorized for the agency in the
16 biennial appropriation act for operations.

17 (c) Whenever the head of a state agency deems it necessary to
18 establish new or additional appropriations or positions authorized in this
19 section, he or she shall file with the Governor a written report accompanied
20 by necessary supporting documents. These documents shall set forth:

21 (1) The facts, justifications, and circumstances that
22 necessitate the appropriations;

23 (2) The maximum number of positions sought, the titles of those
24 positions, and the maximum annual salary rate to be paid each position;

25 (3) A complete line item operations budget for the program;

26 (4) A statement of the expected duration into future years of
27 the federal funds; and

28 (5) Whether or not the program is anticipated to eventually be
29 supported either in part or in whole by state revenues.

30 (d) Upon receipt of the report and supporting documents, for
31 unanticipated miscellaneous federal grants, excluding the Comprehensive
32 Employment and Training Act or its successor, the Governor or the Governor's
33 designee shall study it. If he or she determines that the new or additional
34 positions or appropriations are being sought in strict compliance with this
35 subchapter, the Governor, after seeking the advice of the Legislative Council
36 or the Joint Budget Committee, may approve or modify the request for such

1 additional or new positions or appropriations as, in his or her judgment, he
2 or she deems necessary. The Governor shall forward a copy of the reviewed
3 request to the head of the requesting agency and the Chief Fiscal Officer of
4 the State. Upon receipt of the reviewed request, the Chief Fiscal Officer of
5 the State shall direct the Auditor of State and the Treasurer of State to
6 establish upon their books of record the necessary appropriation accounts in
7 accordance with the provisions as set out in this section and the applicable
8 classifications of appropriations as enumerated in §§ 19-4-511 – 19-4-516 and
9 in accordance with any federal limitations as may be applicable to the funds
10 that are available.

11 (e) Each even-numbered year the Chief Fiscal Officer of the State
12 shall file with the Legislative Council or, if the General Assembly is in
13 session, the Joint Budget Committee, a cumulative report summarizing all
14 appropriations transferred and all additional positions authorized in
15 relation to unanticipated federal funds subject to this subchapter, including
16 without limitation miscellaneous federal grants and miscellaneous workforce
17 investment programs, during the preceding two (2) fiscal years.

18
19 19-7-303. Additional procedures and limitations.

20 In addition to the limitations and procedures established in § 19-7-
21 302, the following additional procedures and limitations shall be held in
22 strict compliance:

23 (1) All new or additional federal funds or new or additional
24 state funds under the Arkansas Workforce Innovation and Opportunity Act, §
25 15-4-3701 et seq., expended by the benefiting agency under the authority of
26 any appropriation provided by the General Assembly for such purposes and
27 transferred through the provisions and procedures established in this section
28 shall be deposited into, and expended from, the State Treasury;

29 (2)(A) Appropriations authorized by the General Assembly for
30 such purpose and transferred pursuant to the procedures set out in this
31 section shall be strictly used for the expenditure of the Arkansas Workforce
32 Innovation and Opportunity Act, § 15-4-3701 et seq., grant-in-aid moneys or
33 other federal grant-in-aid moneys received, reimbursements from the federal
34 government, and local or private funds designated as matching funds for these
35 federal projects.

36 (B) Amounts appropriated under subdivision (2)(A) of this

1 section shall be deposited into the State Treasury for the benefit of the
2 State of Arkansas, or any of its agencies, for use in emergency relief needs
3 or for the operation of any Arkansas Workforce Innovation and Opportunity
4 Act, § 15-4-3701 et seq., programs or any other programs approved by the
5 federal government for which no appropriations or insufficient appropriations
6 were provided elsewhere for those purposes;

7 (3)(A) Additional positions authorized under § 19-7-302 shall be
8 paid from the Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701
9 et seq., funds deposited into the State Treasury for that specific Arkansas
10 Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., program as may
11 be authorized through this subchapter or from federal, local, or private
12 funds deposited into the State Treasury for that specific federal program as
13 may be authorized through this subchapter.

14 (B) However, general, special, trust, or miscellaneous
15 state funds may not be used for the purpose of paying salaries of the
16 positions so authorized;

17 (4) The Chief Fiscal Officer of the State may promulgate rules
18 he or she may deem necessary and proper in order to carry out this
19 subchapter;

20 (5) Sections 19-4-1707 and 19-4-1801 that establish the federal
21 grants, aid, and reimbursements procedures and federal funds procedures of
22 the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq.,
23 shall be strictly complied with;

24 (6) Unless provided elsewhere, all federal funds received by
25 state agencies, departments, boards, and commissions benefiting from the
26 establishment of the biennial operations appropriation acts authorized by the
27 General Assembly for new federal or Arkansas Workforce Innovation and
28 Opportunity Act, § 15-4-3701 et seq., programs shall be deposited into the
29 State Treasury, except when such deposit is expressly prohibited, in writing,
30 as a condition for approval of the grant or reimbursement by the federal
31 grant or agency; and

32 (7) An appropriation as authorized by the General Assembly for
33 new federal or Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701
34 et seq., programs that the Chief Fiscal Officer of the State transfers or
35 causes to be transferred to the various agencies shall not be utilized for
36 entering into or making payments for personal service contracts.

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19-7-304. Recommendation by Governor – Failure to appropriate.

(a) Upon the convening of each regular session of the General Assembly, the Governor shall submit to the General Assembly and shall recommend to the General Assembly the appropriation of the necessary federal or state matching funds, or both, estimated to be necessary with respect to any program during the subsequent fiscal biennium.

(b) If the General Assembly fails to appropriate funds for any program entered into with the federal government as authorized by the laws of the State of Arkansas, on June 30 following adjournment of the regular session of the General Assembly, the program shall cease to exist, and the State of Arkansas shall no longer participate in the program.

Subchapter 4 – Grant Application Review – Indirect Cost Reimbursements

19-7-401. Legislative determination.

It is found and determined by the General Assembly that all governmental units, various nongovernmental organizations, and the general public in the State of Arkansas should have the opportunity to review and comment upon applications for federal funding assistance. The General Assembly further finds that it is desirable that the State of Arkansas pursue the utilization of indirect cost reimbursements available to state agencies from the various federal agencies. It is further found that the state should cooperate with the federal government in the development and utilization of intergovernmental information exchange programs that may be of benefit to the State of Arkansas and to utilize any available federal assistance funds for the furtherance of the purposes of this subchapter.

19-7-402. Definitions.

As used in this subchapter:

(1) “Executive Order 12372, Intergovernmental Review of Federal Programs” means an instrument signed and placed into effect by the President of the United States on July 14, 1982;

(2) “Federal funding assistance” means financial aid available from the various federal government agencies to units of state and local governments, as well as to private for-profit and private nonprofit

1 organizations;

2 (3) "Indirect cost reimbursements" means the reimbursement by a
3 federal agency to agencies of state government for the costs incurred that
4 are necessary for the efficient conduct of a federal grant or contract, as
5 stated in United States Office of Management and Budget Circular A-87, "A
6 Guide for State and Local Government Agencies – Cost Principles and
7 Procedures for Establishing Cost Allocations Plans and Indirect Cost Rates
8 for Grants and Contracts with the Federal Government";

9 (4) "Office of Intergovernmental Services" means an
10 organizational unit within the Department of Finance and Administration;

11 (5) "Revenue sharing" means payments to units of local
12 government as authorized by the State and Local Fiscal Assistance Act of
13 1972;

14 (6) "Review and comment" means the process by which any unit of
15 government, organization, or individual may request to review and provide
16 comments upon any application for federal funding assistance, as limited by
17 other sections of this subchapter;

18 (7) "State agency" means an agency, board, commission,
19 department, or institution of this state; and

20 (8) "State clearinghouse" means that section of the Office of
21 Intergovernmental Services that is designated as the governmental unit
22 responsible for coordinating the review of applications for federal funding
23 assistance, pursuant to Executive Order 12372, Intergovernmental Review of
24 Federal Programs and other provisions of this subchapter.

25

26 19-7-403. Administration.

27 The Office of Intergovernmental Services is responsible for carrying
28 out the duties and responsibilities of this subchapter.

29

30 19-7-404. Federal grants, aids, and reimbursement procedures.

31 (a)(1) All formal applications for federal funds for grants, aids, and
32 reimbursements originated by a state agency shall be submitted to the
33 Department of Finance and Administration before their submission to the
34 granting source.

35 (2) Applications shall include, in a manner prescribed by the
36 Secretary of the Department of Finance and Administration, a summary of the

1 proposed project.

2 (3) The summary shall include the indirect cost rate of the
3 applicant agency, together with a projection of funds to be received as
4 indirect cost reimbursement.

5 (4) The Department of Finance and Administration shall file with
6 the Bureau of Legislative Research a summary of these applications for their
7 review.

8 (b)(1) Preliminary, preapplication, or informal proposals that may
9 eventually result in a commitment of personnel, space, facilities, or state
10 funds shall be submitted to the Department of Finance and Administration at
11 the time they are submitted to the federal granting agency.

12 (2) In order to eliminate overlap, inefficiency, or a violation
13 of legislative intent, the secretary may require a review of the proposal,
14 soliciting comment from other agencies that might be affected, and may
15 require the suspension of negotiations until the review is completed.

16 (3) This subsection is not applicable to institutions of higher
17 education. However, a copy of the preliminary proposals shall be submitted to
18 the Department of Finance and Administration for the information of the
19 Department of Finance and Administration.

20 (c) The Department of Finance and Administration shall prescribe
21 procedures relative to preliminary proposals and formal applications for
22 federal grants, aids, and reimbursements.

23 (d)(1) When a state agency receives notification of an award of any
24 federal funds, grants, aids, or reimbursements, including unsolicited funds,
25 the Department of Finance and Administration shall be notified on forms to be
26 prescribed by the secretary.

27 (2) A section shall be included on the forms to report payments
28 from federal funds for indirect cost reimbursements resulting from:

29 (A) Overhead costs of the state agency; and

30 (B) Overhead costs of state central services allocated to
31 that state agency through the Statewide Cost Allocation Plan.

32 (3) The Department of Finance and Administration shall provide
33 the Bureau of Legislative Research a summary of the notifications for review.

34 (e)(1) The Office of Intergovernmental Services shall function as the
35 state clearinghouse for coordinating the review and comment process relative
36 to applications for federal funding assistance under Executive Order 12372,

1 Intergovernmental Review of Federal Programs and other provisions of this
2 subchapter.

3 (2) The Department of Finance and Administration is responsible,
4 in consultation with state and local elected officials, for developing
5 procedures to implement the review and comment process for applications for
6 federal funding assistance.

7

8 19-7-405. Indirect cost reimbursements.

9 (a) The Office of Intergovernmental Services is responsible for
10 preparation of the Statewide Cost Allocation Plan for the allocation of state
11 central services' overhead costs to state agencies that elect to seek
12 reimbursement for them according to the provisions of United States Office of
13 Management and Budget Circular A-87.

14 (b) The Office of Intergovernmental Services also shall:

15 (1) Prepare indirect cost rate proposals on behalf of the state
16 agencies; or

17 (2) Provide assistance as necessary to state agencies that
18 prepare their own indirect cost rate proposals if the state agency elects to
19 seek payment from the federal government for these costs.

20 (c) The Office of Intergovernmental Services may negotiate the
21 statewide cost allocations with the appropriate federal authorities and
22 indirect cost proposals prepared by the Office of Intergovernmental Services
23 with any state agency.

24 (d) A state agency that chooses to utilize indirect cost rates
25 according to this subchapter shall submit a copy of its indirect cost rate
26 proposals to the Department of Finance and Administration and also a copy of
27 its indirect cost rate agreement after the cognizant federal agency has
28 approved the rate proposal.

29

30 19-7-406. Transfer of reimbursements.

31 The Secretary of the Department of Human Services may transfer from the
32 Department of Human Services federal funds as designated by the Chief Fiscal
33 Officer of the State to the appropriate state fund account those federal
34 funds recovered as reimbursement for indirect costs that are not required to
35 be transferred to the Constitutional Officers Fund or the State Central
36 Services Fund pursuant to this subchapter.

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19-7-407. Expenditure of federal funds.

The Department of Finance and Administration may receive federal funds, enter into contracts with federal agencies, and expend any such funds as necessary to accomplish the duties set out in this subchapter.

19-7-408. Information exchange programs.

The Office of Intergovernmental Services may cooperate with agencies of the federal government in the development and utilization of intergovernmental information exchange programs that may be of benefit to the State of Arkansas.

19-7-409. Revenue sharing.

The Office of Intergovernmental Services is responsible for providing technical assistance to units of local government on matters relating to federal revenue sharing. The Office of Intergovernmental Services is designated as the liaison between the federal Office of Revenue Sharing [abolished] and local governments in Arkansas.

19-7-410. Advice of legislative departments.

It is recognized by the legislative and executive departments of government that some of the executive departments' authority or responsibility as provided in this subchapter should possibly have the legislative departments' concurrence before proceeding with that authority or responsibility. The legislative department, through the Legislative Joint Auditing Committee, the Legislative Council, or joint interim committees, interim committees, or subcommittees of the foregoing may request the Secretary of the Department of Finance and Administration to seek the legislative department's advice before exercising certain authority or responsibility as authorized by this subchapter.

Subchapter 5 – Sale or Lease of Minerals, Oil, and Gas

19-7-501. Federal lands.

(a) Moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or

1 mineral lands belonging to the federal government and located in this state
2 shall be distributed under this section.

3 (b) Moneys received under subsection (a) of this section by and after
4 September 1, 2008, by the Treasurer of State shall be credited by the
5 Treasurer of State as follows:

6 (1) Fifty percent (50%) of the moneys received shall be credited
7 to the General Revenue Fund Account for distribution to various funds that
8 participate in the distribution of general revenues in the respective
9 proportion to each fund, to be used for the purposes under the Revenue
10 Stabilization Law, § 19-20-101 et seq.; and

11 (2) Fifty percent (50%) of the moneys received shall be
12 distributed to the counties in which the federal lands that generate the
13 moneys are located according to federal reports that identify the counties
14 with the federal lands that generate the moneys. Moneys under this
15 subdivision (b)(2) shall be distributed by the Treasurer of State as follows:

16 (A)(i) Sixty percent (60%) of the moneys shall be
17 distributed to the County Aid Fund, to be distributed by the Treasurer of
18 State to the county treasurer of each county that has a school district with
19 a boundary that includes a portion of the federal lands that generate the
20 moneys.

21 (ii) A county is responsible for distributing moneys
22 under subdivision (b)(2)(A)(i) of this section to a school district with a
23 boundary that includes a portion of the federal lands that generate the
24 moneys.

25 (iii) If there is more than one (1) school district
26 with a boundary that includes a portion of the federal lands that generate
27 the moneys within a county receiving these moneys, then each school district
28 in that county shall receive a proportionate share of the moneys based on the
29 school district's portion of the acreage over the total acreage in all
30 districts in that county;

31 (B) Fifteen percent (15%) of the moneys received under
32 this subdivision (b)(2) shall be distributed to the County Aid Fund to be
33 distributed by the Treasurer of State to the county treasurer for credit to
34 the county road funds of the counties to which these moneys are allocated;
35 and

36 (C)(i) Twenty-five percent (25%) of the moneys received

1 under this subdivision (b)(2) shall be distributed to the County Aid Fund for
 2 distribution by the Treasurer of State to the county treasurer of the county
 3 to which the moneys are to be distributed.

4 (ii) Except as provided under subdivision
 5 (b)(2)(C)(iii) of this section, on receipt of the moneys under this
 6 subdivision (b)(2)(C), the county treasurer of the county shall distribute
 7 the moneys to the county general fund and to the respective cities, towns,
 8 school districts, community college districts, and county and municipal
 9 libraries in the county in the proportion that each taxing unit shares in the
 10 real and personal property taxes collected in the county.

11 (iii) A school district in the county that receives
 12 a distribution of funds under subdivisions (b)(2)(A) and (B) of this section
 13 and the county road fund that receives a distribution of funds under
 14 subdivisions (b)(2)(A) and (B) of this section are not entitled to receive an
 15 additional distribution of the funds under this subdivision (b)(2)(C).

16 17 Subchapter 6 – Educational Funding

18 19 19-7-601. Federal Adult Basic Education Fund.

20 There is created on the books of the Treasurer of State, the Auditor of
 21 State, and the Chief Fiscal Officer of the State a fund to be known as the
 22 “Federal Adult Basic Education Fund”.

23 24 19-7-602. Federal Elementary and Secondary Education Fund.

25 There is created on the books of the Treasurer of State, the Auditor of
 26 State, and the Chief Fiscal Officer of the State a fund to be known as the
 27 “Federal Elementary and Secondary Education Fund”.

28 29 SUBTITLE 2 – REVENUE STABILIZATION LAW

30
31 CHAPTER 20. GENERAL PROVISIONS

32 CHAPTER 21. FUNDS AND ACCOUNTS GENERALLY

33 CHAPTER 22. GENERAL REVENUE OPERATING FUNDS AND FUND ACCOUNTS

34 CHAPTER 23. DISTRIBUTION OF GENERAL REVENUES

35 CHAPTER 24. BUDGET STABILIZATION TRUST FUND

36 CHAPTER 25. MUNICIPAL AND COUNTY AID FUNDS

1 CHAPTER 26. TRUST FUNDS
2 CHAPTER 27. MISCELLANEOUS FUNDS
3 CHAPTERS 28 – 39. [RESERVED.]
4

5 CHAPTER 20
6 GENERAL PROVISIONS
7

8 19-20-101. Title.

9 This *subtitle* shall be known and may be cited as the “Revenue
10 Stabilization Law”.

11
12 19-20-102. Legislative intent.

13 Because of the many revenue laws of the state providing for the levying
14 and collecting of taxes, licenses, and fees for the support of state
15 government and its agencies and enacted by the General Assembly, it is
16 declared to be the policy of the General Assembly with respect to all such
17 revenues and other state income that is required by law to be deposited into
18 the State Treasury to provide for the handling and deposit of the funds in
19 the manner provided in the Revenue Classification Law, § 19-40-101 et seq.,
20 and in this *subtitle* in the following manner:

21 (1) To declare the objects and purposes for which the general
22 revenues as defined in the Revenue Classification Law, § 19-40-101 et seq.,
23 and other incomes individually and collectively are to be used. It is the
24 intent and purpose of this section and other provisions of this *subtitle* to
25 comply with the provisions of the Arkansas Constitution, including Arkansas
26 Constitution, Article 16, § 11;

27 (2) Because the constitutional and fiscal agencies of the state
28 and certain other defined agencies or programs, either individually or
29 collectively, render services to every state department, board, commission,
30 institution, agency, or activity supported from revenues deposited into the
31 State Treasury, it is declared to be the policy of the General Assembly that
32 all taxes, licenses, and fees defined as general revenues and special
33 revenues under the Revenue Classification Law, § 19-40-101 et seq., shall
34 contribute to the support of the constitutional and fiscal agencies and other
35 defined agencies in the proportion and for the purposes as provided by law
36 for the payment of such services;

1 (3) As to the taxes, licenses, fees, and other revenues
2 contributing to the general revenues as defined in the Revenue Classification
3 Law, § 19-40-101 et seq., it is not the purpose of this *subtitle* to levy or
4 to change the amount or rate of such taxes, but to state the purpose for
5 which such general revenues are to be used. This *subtitle* shall not be
6 construed as amending any of the provisions of the law with respect to the
7 taxes defined to be general revenues except for the purpose of providing for
8 the distribution of them and defining the purposes for which these revenues
9 are raised and collected; and

10 (4) As to the special taxes, licenses, fees, and other revenues
11 contributing to the special revenues as provided in the Revenue
12 Classification Law, § 19-40-101 et seq., it is not the intent of the Revenue
13 Classification Law, § 19-40-101 et seq., or of this *subtitle* to levy or
14 change the amount or rate of such taxes nor to change the purposes for which
15 those special revenues are to be used as provided by law. This *subtitle* shall
16 not be construed as amending any of the provisions of the law with respect to
17 the special revenues as defined in this *subtitle*, except for the purpose of
18 providing for the distribution of them and providing that the purposes for
19 which such revenues are collected shall also include the services rendered to
20 the constitutional and fiscal agencies and other defined agencies in the
21 manner provided in the Revenue Classification Law, § 19-40-101 et seq., and
22 in this *subtitle*.

23
24 19-20-103. Fiscal year.

25 The fiscal year of the state, for the conduct of its financial affairs,
26 shall commence on July 1 and end on June 30 of the following year.

27
28 19-20-104. Establishment of other funds or accounts.

29 (a)(1) The Chief Fiscal Officer of the State may only establish such
30 other funds or fund accounts on the books and on the books of the Treasurer
31 of State and the Auditor of State for making payments that are composed of
32 funds derived from more than one (1) fund or fund account as established by
33 this *subtitle*.

34 (2) The Chief Fiscal Officer of the State may also establish
35 paying accounts on the books of the Treasurer of State and the Auditor of
36 State for making payments that are composed of funds derived from more than

1 one (1) source.

2 (3) However, the Chief Fiscal Officer of the State may establish
3 on the books accounts within funds or fund accounts carried on the books of
4 the Treasurer of State and the Auditor of State that he or she deems are
5 necessary for the accounting system of his or her office.

6 (b) Nothing in this section prevents the establishment of new funds
7 composed solely of federal grants, aids, reimbursements, or any other moneys
8 received from the United States Government that are to be used for specific
9 purposes.

10

11 19-20-105. Appropriations for agencies not funded.

12 If the General Assembly has appropriated general revenue funds for any
13 agency, department, or institution for which funding is not provided in this
14 *subtitle*, the Chief Fiscal Officer of the State shall make the appropriation
15 payable from the General Revenue Fund from which the principal department as
16 created by §§ 6-11-101, 6-11-102, 25-2-101 – 25-2-109, 25-5-101, 25-6-102,
17 25-7-101, 25-8-101, 25-8-105, 25-9-101, , 25-10-102, 25-10-103 [repealed],
18 25-10-104, 25-10-105 [repealed], 25-10-106, 25-11-101, 25-11-102, 25-12-101,
19 25-13-101, and 25-14-101 draws its support. If the appropriation is made to
20 any other agency of the state, the appropriation shall be made payable from
21 the Miscellaneous Agencies Fund Account.

22

23 19-20-106. Transfer of funds.

24 (a) The Chief Fiscal Officer of the State may direct a transfer of
25 funds on the books of the Treasurer of State, the Auditor of State, and the
26 Department of Finance and Administration for the following purposes:

27 (1) To correct accounting errors;

28 (2) To make loans to authorized funds, fund accounts, or
29 accounts and to repay such loans when they become due and payable, all of
30 which as may be authorized by law;

31 (3) To reimburse the Miscellaneous Revolving Fund or successor
32 funds, fund accounts, or accounts for the payment of claims, refunds, or
33 other authorized disbursements as may be authorized by law;

34 (4)(A) To transfer to the state agency responsible for
35 administering federal Social Security and state retirement programs for
36 public employees, public school teachers as defined by law, highway

1 employees, and state police employees in such amounts as shall be certified
2 as being due, including any penalties due to delinquency of obligations,
3 funds on deposit in the State Treasury containing operating moneys for any:

4 (i) Political entity, including any state agency,
5 board, commission, department, institution, state-supported community
6 college, college, or university;

7 (ii) Political subdivision of the state, including a
8 regional, county, or municipal government; or

9 (iii) School district.

10 (B)(i) The head of the state agency responsible for
11 administering the programs shall certify to the Chief Fiscal Officer of the
12 State the agencies, funds, amounts involved, and any other pertinent
13 information.

14 (ii) The Chief Fiscal Officer of the State shall
15 then notify the Auditor of State and the Treasurer of State of the transfers;
16 or

17 (5) To transfer funds between state agencies and within state
18 agencies in order to eliminate the double accounting of receipts and
19 expenditures that occurs under the method of issuing vouchers; or

20 (6) For such other purposes as may be specifically authorized by
21 law.

22 (b)(1) The transfer document form shall be designed by the Chief
23 Fiscal Officer of the State, with the approval of the Treasurer of State and
24 the Auditor of State, and shall be designed in such form so as to be
25 compatible with the accounting and coding systems of all three (3) offices.

26 (2) The transfer document as executed by the Chief Fiscal
27 Officer of the State shall bear his or her manual signature or the signature
28 of a designated official of his or her office.

29 (3) In addition, there shall be stated in the document a clearly
30 understood reason for the issuance of the transfer and the specific legal
31 authority for the transfer.

32 (c)(1) The Treasurer of State shall issue an official transfer
33 document, designed by him or her with the approval of the Chief Fiscal
34 Officer of the State and the Auditor of State as to its form for the purpose
35 of distributing general and special revenues at the close of business each
36 month.

1 (2) This document shall bear the manual signature of the
2 Treasurer of State or his or her deputy.

3 (d) The Treasurer of State may refuse to make any transfer if, in his
4 or her opinion, sufficient proof of the legality of the transfer is not
5 provided.

6 (e)(1) The Chief Fiscal Officer of the State may transfer moneys from
7 the General Revenue Allotment Reserve Fund accruing thereto from year-end
8 balances as authorized by § 19-27-204(b)(1) and (2), or from such other
9 funds, fund accounts, or accounts when the fund balances may be transferred
10 as set out in subdivision (e)(2) of this section.

11 (2) In those instances in which the General Assembly authorizes
12 carrying forward from one (1) fiscal year to the succeeding fiscal year, but
13 not exceeding a two-year appropriation period in conformity with Arkansas
14 Constitution, Article 5, § 29, a transfer of moneys shall be made for
15 reimbursing the fund, in accordance with this subsection for the additional
16 moneys expended resulting from the carry-forward provisions of this
17 subsection.

18 (f)(1) The Chief Fiscal Officer of the State may remove any inactive
19 funds other than those funds or fund accounts established by law upon
20 determination that the funds have no appropriations or outstanding warrants
21 and are therefore inactive, from the financial records of the State of
22 Arkansas and transfer any balances remaining in those funds to the General
23 Revenue Allotment Reserve Fund.

24 (2) The Chief Fiscal Officer of the State shall notify the
25 Treasurer of State and the Auditor of State of such transactions.

26 (3) The Chief Fiscal Officer of the State shall report to the
27 Legislative Council and the Joint Budget Committee during the month of
28 November of each even-numbered year the status of all inactive funds, along
29 with his or her recommendation as to the disposition of the funds and
30 balances maintained in them.

31 (g) The Treasurer of State may transfer funds under this section by
32 direct deposit.

33
34 19-20-107. Appropriation for state agencies not provided by General
35 Assembly.

36 (a) If the appropriation is not provided by the General Assembly for

1 cash fund expenditures for any state agency pursuant to § 19-4-801 et seq.,
2 the state agency shall request a transfer of appropriation from the Chief
3 Fiscal Officer of the State, stating clearly the amount required.

4 (b) Upon approval of the Chief Fiscal Officer of the State, and after
5 seeking prior review by the Legislative Council or the Joint Budget
6 Committee, the cash fund appropriations shall be established upon the books
7 of the Department of Finance and Administration. Upon request of the state
8 agency and with the approval of the Chief Fiscal Officer of the State, the
9 requested appropriations may be established upon the books of the Department
10 of Finance and Administration in compliance with the applicable
11 classifications of appropriations as enumerated in §§ 19-4-512 – 19-4-516.
12

13 CHAPTER 21

14 FUNDS AND ACCOUNTS GENERALLY

15
16 19-21-101. State Apportionment Fund.

17 (a)(1) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
19 known as the “State Apportionment Fund”.

20 (2) All general revenues and all special revenues, as defined in
21 the Revenue Classification Law, § 19-40-101 et seq., shall be deposited by
22 the Treasurer of State into the State Apportionment Fund, there to be handled
23 and distributed as provided in this *chapter*.

24 (b) All revenue received by the Treasurer of State by 4:00 p.m. of any
25 normal working day shall be deposited and so credited to the State
26 Apportionment Fund as occurring on that day and shall be deemed to be gross
27 revenues for that respective day. For the purposes of accounting for such
28 revenue, the Treasurer of State shall credit it to the proper fund account of
29 the State Apportionment Fund as created by this section.
30

31 19-21-102. General Revenue Fund Account.

32 (a)(1) There is established on the books of the Treasurer of State,
33 the Auditor of State, and the Chief Fiscal Officer of the State a fund
34 account to be known as the “General Revenue Fund Account” of the State
35 Apportionment Fund to which all gross general revenues are to be credited
36 upon receipt of them by the Treasurer of State, there to be distributed as

1 provided in this section.

2 (2) The Treasurer of State, with the approval of the Auditor of
3 State and the Chief Fiscal Officer of the State, shall prescribe the
4 procedures and forms required to be used by all governmental units depositing
5 funds into the State Treasury.

6 (b) At the close of business at 12:00 noon on the last working day of
7 each month, the Treasurer of State shall make the following distributions of
8 the gross general revenues in the General Revenue Fund Account on properly
9 signed forms prescribed by him or her, with the approval of the Auditor of
10 State and the Chief Fiscal Officer of the State:

11 (1)(A) From such gross general revenues received during each
12 month, the Treasurer of State shall deduct the amounts represented by claims,
13 taxes erroneously paid, uncollected checks, and advance transfers made to the
14 Individual Income Tax Withholding Fund, the Corporate Income Tax Withholding
15 Fund, and the Home Owners Tax Relief Fund from each applicable revenue
16 received during that month and other advance transfers and shall keep a
17 record for accounting purposes.

18 (B) Advance transfers made during the month to funds or
19 fund accounts from which there are no applicable revenue sources shall be
20 made from gross general revenues received during the month.

21 (C) The remaining revenue in the General Revenue Fund
22 Account shall be designated as net general revenue; and

23 (2)(A)(i) If the Budget Stabilization Trust Fund has
24 insufficient balances to make loans to the Individual Income Tax Withholding
25 Fund, the Corporate Income Tax Withholding Fund, and the Home Owners Tax
26 Relief Fund or to any of those funds or fund accounts enumerated in § 19-23-
27 102 to cover refunds or operating requirements during the month, the Chief
28 Fiscal Officer of the State may make advance transfers from the General
29 Revenue Fund Account to those funds to cover the refunds or operating
30 requirements and notify the Treasurer of State of the advance transfers.

31 (ii) However, the advance transfers to the funds or
32 fund accounts enumerated in § 19-23-102 shall not exceed the anticipated
33 general revenue distribution to the applicable fund or fund account for that
34 month. For calculation purposes only, the Treasurer of State shall add an
35 amount to the net general revenue equal to the advance transfers authorized
36 in this section processed for the current month.

1 (B) From the net general revenue, after adding the advance
2 transfer, if any, the Treasurer of State shall make the following
3 distributions and shall notify the Auditor of State and the Chief Fiscal
4 Officer of the State:

5 (i) First, the Treasurer of State shall deduct one
6 percent (1%), which shall be transferred to the Constitutional Officers Fund,
7 as created in § 19-21-105(c). An appropriate percentage of not less than two
8 percent (2%) and not to exceed three percent (3%), as determined from time to
9 time by the Chief Fiscal Officer of the State as being the amount required to
10 support the estimated commitments and expenditures of the State Central
11 Services Fund for the current fiscal year, shall be transferred to the State
12 Central Services Fund, as created in § 19-21-105(e);

13 (ii) Next, any revenue deposited into the General
14 Revenue Fund Account from the net casino gaming receipts tax under § 5(c) of
15 The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution,
16 Amendment 100, that exceeds thirty-one million two hundred thousand dollars
17 (\$31,200,000) in a fiscal year shall be held in a subaccount to be
18 transferred on the last business day of the fiscal year from the General
19 Revenue Fund Account to the Arkansas Department of Transportation Fund;

20 (iii)(a) On the last business day of the fiscal year
21 ending June 30, 2020, and on the last business day of each following fiscal
22 year, the Chief Fiscal Officer of the State shall transfer on his or her
23 books and those of the Treasurer of State and the Auditor of State an amount
24 not to exceed thirty-five million dollars (\$35,000,000) from the funds
25 available in the Restricted Reserve Fund and from any other funds designated
26 by the Governor to the Arkansas Department of Transportation Fund.

27 (b) The amount to be transferred under this
28 subdivision (b)(2)(B)(iii) shall be calculated to provide the total sum of
29 thirty-five million dollars (\$35,000,000) to the Arkansas Department of
30 Transportation Fund when combined with the funds transferred in that fiscal
31 year from the General Revenue Fund Account under subdivision (b)(2)(B)(ii) of
32 this section;

33 (iv) Next, the Treasurer of State shall deduct an
34 amount sufficient to pay for cash rebates which have been paid or approved
35 for payment during the current month upon applications filed therefor as
36 authorized in §§ 26-51-601 – 26-51-608 [repealed] and deduct an amount

1 sufficient to pay for refunds made during that month to taxpayers from
2 overpayment of the income tax as certified by the Chief Fiscal Officer of the
3 State and transfer that amount to the Individual Income Tax Withholding Fund,
4 Corporate Income Tax Withholding Fund, and Home Owners Tax Relief Fund, as
5 applicable;

6 (v)(a) Next, the Secretary of the Department of
7 Finance and Administration shall certify the amount distributed to the
8 General Revenue Fund Account from the sales tax and the special privilege tax
9 on medical marijuana under § 17(c) of the Arkansas Medical Marijuana
10 Amendment of 2016, Arkansas Constitution, Amendment 98, for the month.

11 (b) The Treasurer of State shall then deduct
12 an amount equal to the amount certified under subdivision (b)(2)(B)(v)(a) of
13 this section from the General Revenue Fund Account and transfer the amount to
14 the Restricted Reserve Fund to be used to address food insecurity and health
15 needs; and

16 (vi) The remaining revenue, known as general
17 revenues available for distribution, in the General Revenue Fund Account
18 shall be distributed as provided by this *subtitle* to the various funds and
19 fund accounts as created and established in § 19-22-101 et seq. and to any
20 other fund or fund account as may be authorized by law. The Treasurer of
21 State, after distributing the general revenues available for distribution due
22 each fund or fund account, shall deduct the amount of any advance transfers
23 made during the month from the distribution to each applicable fund or fund
24 account.

25 (c)(1) In determining the percentage to be deducted from net general
26 revenues as authorized in this section, the Chief Fiscal Officer of the State
27 shall take into consideration all revenues accruing to the benefit and fund
28 balances of the General Revenue Fund Account, as well as estimated
29 expenditures and commitments for the year from the State Central Services
30 Fund.

31 (2) In estimating the expenditures and commitments for the year,
32 the Chief Fiscal Officer of the State shall use the estimates obtained from
33 the agencies to which appropriations were made from the State Central
34 Services Fund.

35 (d) After determining the percentage deduction required to meet the
36 obligations and commitments as set out in subsection (c) of this section, the

1 Chief Fiscal Officer of the State shall obtain approval from the Legislative
2 Council.

3 (e)(1) It shall remain the jurisdiction of each state agency to
4 determine from which appropriations made payable from the General Revenue
5 Fund Account the reductions in spending will be made to meet their estimated
6 expenditure and commitment level, and each state agency shall notify the
7 Chief Fiscal Officer of the State of its proposed plan of expenditures.

8 (2) A state agency may revise its spending plan from time to
9 time as long as the total of the expenditures by the state agency from the
10 General Revenue Fund Account does not exceed the amount determined by the
11 Chief Fiscal Officer of the State and shall notify the Chief Fiscal Officer
12 of the State of the proposed revisions.

13 (3) This subsection does not require any purchasing or budget
14 decision currently authorized by law for an elected constitutional officer or
15 staff of a constitutional officer to be transferred to the Chief Fiscal
16 Officer of the State.

17 (f) The Chief Fiscal Officer of the State shall ensure that the
18 expenditures from the State Central Services Fund do not in any year exceed
19 the resources available to the General Revenue Fund Account. The Chief
20 Fiscal Officer of the State shall set up the appropriate safeguards on the
21 expenditures and obligations from the General Revenue Fund Account.

22 (g) In order that the General Assembly may be made aware of potential
23 problems as early as possible, the Department of Finance and Administration
24 shall report on the financial condition of the State Central Services Fund to
25 the Legislative Council and to the Legislative Joint Auditing Committee
26 monthly in such detail as may be required.

27

28 19-21-103. Special Revenue Fund Account.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a fund account to
31 be known as the "Special Revenue Fund Account" of the State Apportionment
32 Fund to which all gross special revenues are to be credited upon their
33 receipt by the Treasurer of State, there to be distributed as provided in
34 this section.

35 (b) At the close of books at 12:00 noon on the last working day of
36 each month, the Treasurer of State shall make the following distributions of

1 the gross special revenues in the account on properly signed forms prescribed
2 by him or her, with the approval of the Auditor of State and the Chief Fiscal
3 Officer of the State:

4 (1) From the gross special revenues received during each month,
5 the Treasurer of State shall deduct the amounts represented by claims, taxes
6 erroneously paid, and uncollected checks from the applicable revenues
7 received during that month and shall keep a record of such for accounting
8 purposes. The remaining revenue in the account shall be designated as net
9 special revenues; and

10 (2)(A) The Treasurer of State shall then deduct the same
11 percentage as determined to be deducted from net general revenues in § 19-21-
12 102 and be transferred under the same procedures as set forth in § 19-21-102
13 from each net special revenue collected by any of those agencies enumerated
14 in § 19-21-105(b) and one-half ($\frac{1}{2}$) of the percentage deductions set out in §
15 19-21-102 and transferred in the same proportion to the State Central
16 Services Fund and the Constitutional Officers Fund, from each net special
17 revenue collected by any other department, board, agency, or commission.

18 (B) The Treasurer of State shall then transfer the
19 remaining net special revenues to the proper fund or fund account as
20 designated by law and shall notify the Auditor of State and the Chief Fiscal
21 Officer of the State of the transfers and distributions on forms approved by
22 the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of
23 the State.

24

25 19-21-104. Revenue Holding Fund Account.

26 (a)(1) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a fund account to
28 be known as the "Revenue Holding Fund Account" of the State Apportionment
29 Fund to which all taxes, licenses, fees, penalties, interest, or other income
30 that, at the time of being deposited with the Treasurer of State, cannot be
31 determined to be either special or general revenues or if any of the revenues
32 were erroneously paid as nonrevenues, there to be distributed or transferred
33 as provided in this section.

34 (2) Revenues credited to the Revenue Holding Fund Account that
35 are determined to be general revenues shall be transferred as gross general
36 revenues to the General Revenue Fund Account. Those revenues determined to be

1 special revenues shall be transferred as gross special revenues to the
2 Special Revenue Fund Account as soon as that determination is made by the
3 Treasurer of State. However, all such transfers shall be made on or before
4 June 30 of the fiscal year during which the revenues were deposited with the
5 Treasurer of State.

6 (b) If it is determined by the Chief Fiscal Officer of the State that
7 moneys credited to the Revenue Holding Fund Account must be transferred, due
8 to a worsening financial position of the benefiting agencies of such
9 revenues, to the Special Revenue Fund Account or to the General Revenue Fund
10 Account before the final determination of their classification can be made,
11 then the Chief Fiscal Officer of the State may request the Treasurer of State
12 to transfer to the appropriate fund account of the State Apportionment Fund
13 from the Revenue Holding Fund Account an amount equal to no more than eighty
14 percent (80%) of the estimated general or special revenues in the Revenue
15 Holding Fund Account.

16

17 19-21-105. Constitutional Officers Fund and State Central Services
18 Fund.

19 (a) The elected constitutional officers and their departments of
20 government as established by the Arkansas Constitution and certain state
21 departments and employees of state departments are known and recognized as
22 performing and rendering, either individually or collectively, services to
23 every other state agency. The General Assembly declares that the services
24 rendered are embraced under or by one (1) or more of the items or agencies as
25 follows:

26 (1) Services rendered by the legislative, judicial, and
27 executive departments of the state as recognized by the Arkansas
28 Constitution;

29 (2) Services rendered by the Chief Fiscal Officer of the State
30 for management of the state's resources relating to general fiscal affairs,
31 administering the budget, accounting, purchasing, personnel, and other
32 applicable fiscal laws; and

33 (3) Those agencies supported from the State Central Services
34 Fund, which collect the general revenue and special revenues as defined in
35 the Revenue Classification Law, § 19-40-101 et seq., or such other laws as
36 may be enacted by the General Assembly.

1 (b)(1) Those departments and activities of the state which perform the
2 services as set out in subdivision (a)(1) of this section are declared to be
3 the following:

4 (A) The General Assembly, including State Capitol
5 renovation of the General Assembly quarters, Senate and House of
6 Representatives legislative session staff, interim expenses incurred by
7 members of the Senate and House of Representatives, and the appropriations
8 contained in the general appropriation bill made for services of the General
9 Assembly;

10 (B) The Governor;

11 (C) The Lieutenant Governor;

12 (D) The Secretary of State;

13 (E) The Attorney General;

14 (F) The Treasurer of State;

15 (G) The Commissioner of State Lands;

16 (H) The Auditor of State;

17 (I) The Supreme Court;

18 (J) The Court of Appeals; and

19 (K) The circuit courts and prosecuting attorneys.

20 (2) Those agencies and activities of the state which perform the
21 services as set out in subdivisions (a)(2) and (3) of this section are
22 declared to be the following:

23 (A) Senate and House of Representatives interim staff;

24 (B) The Bureau of Legislative Research, and interim
25 committee and interim committee study expenses of the Legislative Council;

26 (C) Arkansas Legislative Audit;

27 (D) The Secretary of State;

28 (E) Office of Administrative Services of the Department of
29 Finance and Administration and Revenue Division of the Department of Finance
30 and Administration;

31 (F) The Administrative Office of the Courts;

32 (G) The Office of the Prosecutor Coordinator;

33 (H) The Arkansas Governor's Mansion Commission;

34 (I) The Arkansas State Claims Commission; and

35 (J) Other activities supporting the legislative,
36 executive, and judicial departments.

1 (c)(1)(A) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
3 known as the "Constitutional Officers Fund", there to be used for the
4 maintenance, operation, and improvements of those departments and activities
5 as set out in subdivision (b)(1) of this section unless specific and separate
6 funds are otherwise provided therefor.

7 (B) The Constitutional Officers Fund shall consist of:

8 (i) One-third ($\frac{1}{3}$) of the amount produced from the
9 three percent (3%) deduction from the net general revenue deposited into the
10 State Treasury;

11 (ii) One-third ($\frac{1}{3}$) of the amount produced from the
12 three percent (3%) deduction from the net special revenues collected and
13 deposited into the State Treasury by the agencies set out in subsection (b)
14 of this section; and

15 (iii) One-third ($\frac{1}{3}$) of the amount produced from the
16 one and one-half percent (1.5%) deduction from the net special revenues
17 collected and deposited into the State Treasury by any other state agency,
18 department, board, commission, or institution.

19 (C)(i) Any balance which remains in the Constitutional
20 Officers Fund at the end of a fiscal year which exceeds seven percent (7%) of
21 the anticipated obligations from the Constitutional Officers Fund for the
22 fiscal year just ended or which is estimated to be available for the fiscal
23 year may be transferred from time to time to the State Central Services Fund
24 for use in the next fiscal year.

25 (ii) If the funds transferred to the State Central
26 Services Fund are based on an estimated balance which is less than the actual
27 balance on June 30, the difference shall be transferred to the State Central
28 Services Fund on or before August 1.

29 (iii) If the funds transferred to the State Central
30 Services Fund are based on an estimated balance which is higher than the
31 actual balance on June 30, the difference shall be transferred from the State
32 Central Services Fund to the Constitutional Officers Fund on or before August
33 1.

34 (2) The Constitutional Officers Fund shall also be used to allow
35 the payment of claims for judges due to overpayments into the Arkansas
36 Judicial Retirement System prior to the enactment of §§ 24-6-204 and 24-8-201

1 - 24-8-211 by transfer to the Judges Retirement Fund in such amounts as may
2 be appropriated by the General Assembly.

3 (d)(1) Facts before the General Assembly drawn from statistical
4 computations, comparisons, and related data, taken over a period of many
5 years in the past, are conclusive of the proposition that the cost of the
6 services rendered by the agencies set out in subsection (b) of this section
7 have amounted to not less than three percent (3%) of the total general
8 revenues and special revenues as defined in the Revenue Classification Law, §
9 19-40-101 et seq.

10 (2) It is therefore declared to be the policy of the State of
11 Arkansas that every agency supported in whole or in part from the general
12 revenues or special revenues deposited into the State Treasury shall
13 contribute to the support of the services rendered by the agencies set out in
14 subsection (b) of this section.

15 (3) The purposes for which the taxes, licenses, or fees and
16 other income defined to be general revenues or special revenues are raised
17 and collected shall be deemed to include the services as defined in this
18 section.

19 (e)(1)(A) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
21 known as the "State Central Services Fund", there to be used for the
22 maintenance, operation, and improvements of those agencies and activities as
23 set out in subdivision (b)(2) of this section unless specific and separate
24 funds are otherwise provided therefor.

25 (B) The State Central Services Fund shall consist of:

26 (i) Those special revenues as specified in § 19-42-
27 201(9), (11), (19), (21), (37), (75), (76), (77), (78), (79), (82), (83),
28 (84), (85), (86), (87), (88), (89), (91), (96), (116), (118), (120), (124),
29 (149), (188), (231), (244), (246), (247), (266), and (267) and eight percent
30 (8%) of those special revenues as set out in § 19-42-201(20) of the Revenue
31 Classification Law, § 19-40-101 et seq.;

32 (ii) The amount produced from the deduction from the
33 net general revenues deposited into the State Treasury;

34 (iii) The amount produced from the deduction from
35 the net special revenues collected and deposited into the State Treasury by
36 the agencies set out in subsection (b) of this section;

1 (iv) The amount produced from the deduction from the
2 net special revenues collected and deposited into the State Treasury by any
3 other state agency, department, board, commission, or institution;

4 (v) All earnings and income collected by any of
5 those agencies set out in subsection (b) of this section;

6 (vi) Funds received from federal funds on account of
7 indirect cost reimbursement collected under a statewide indirect cost
8 allocation plan and paid to any of the agencies set out in subsection (b) of
9 this section;

10 (vii) Any other funds received from the United
11 States Government granted specifically to the agencies as set out in
12 subsection (b) of this section, unless otherwise required by the grantor
13 federal agency;

14 (viii) Interest earned on Social Security trust
15 funds which are remitted to the Arkansas Public Employees' Retirement System
16 and held in banks until transmitted to the Social Security Administration;

17 (ix) Reimbursements by transfer from the Ad Valorem
18 Tax Fund on account of expenditures made to Arkansas Legislative Audit;

19 (x) Such general revenues as may be provided by the
20 General Assembly;

21 (xi) One and one-half percent (1.5%) of those cash
22 funds of those state agencies as defined in § 19-21-106;

23 (xii) Such fund balances as may exist on June 30,
24 1995, in the Public Defender Fund [repealed] and all such funds as may accrue
25 to and be transferred from the Public Defender Fund [repealed] by the
26 Treasurer of State on the last day of each month;

27 (xiii) Moneys transferred or deposited from the
28 State Administration of Justice Fund for the benefit of the Arkansas Public
29 Defender Commission;

30 (xiv) Public defender attorney's fees to be used
31 solely to defray costs for the Arkansas Public Defender Commission as set out
32 in § 5-4-303(g)(2)(A);

33 (xv) Public defender user fees to be used to defray
34 the costs of the public defender system, § 16-87-213;

35 (xvi) That portion of nonrefundable fees charged by
36 bail bond companies for the Arkansas Public Defender Commission, § 17-19-

1 301(e);

2 (xvii) The first one hundred thousand dollars
3 (\$100,000) collected in taxes and penalties under § 26-26-1614 and deposited
4 as nonrevenue receipts during each fiscal year for use by the Revenue
5 Division of the Department of Finance and Administration, § 26-26-1616; and

6 (xviii) Revenues from the real property transfer tax
7 distributed under § 26-60-112(b)(2)(B)(i).

8 (2) If required to help meet the commitments of the State
9 Central Services Fund and if funds are determined to be available, the Chief
10 Fiscal Officer of the State may transfer a sum not to exceed four million
11 dollars (\$4,000,000) during any fiscal year from the Budget Stabilization
12 Trust Fund to the State Central Services Fund.

13 (3)(A) After all other deductions and transfers from other
14 sources authorized by law have been made available to the State Central
15 Services Fund, the Chief Fiscal Officer of the State shall transfer such
16 additional amounts as may be required from the General Revenue Fund Account
17 to the State Central Services Fund to fully finance the expenditures and
18 obligations from the appropriations set out in this section.

19 (B)(i) The amount of the transfer shall be determined by
20 subtracting the total of all estimated expenditures from the State Central
21 Services Fund from the total resources available to the State Central
22 Services Fund without a transfer of general revenue.

23 (ii) Then the result shall be multiplied by the
24 proportion that the estimated expenditures for the budgets as set out in
25 subdivision (e)(3)(C) of this section bears to the total of all the estimated
26 expenditures from the State Central Services Fund.

27 (iii) The product shall be the amount of general
28 revenue required to meet the expenditures and commitments of the agencies and
29 budget set out in subdivision (e)(3)(C) of this section.

30 (C) The appropriations to which this subdivision (e)(3)
31 applies are determined to be the:

32 (i) House of Representatives;

33 (ii) Senate;

34 (iii) Arkansas Legislative Audit;

35 (iv) Bureau of Legislative Research;

36 (v) Bureau of Legislative Research – Disbursing

1 Officer;
2 (vi) Court of Appeals;
3 (vii) Administrative Office of the Courts –
4 Operations;
5 (viii) Supreme Court;
6 (ix) Governor;
7 (x) Lieutenant Governor;
8 (xi) Attorney General;
9 (xii) Auditor of State – Operations;
10 (xiii) Commissioner of State Lands;
11 (xiv) Secretary of State;
12 (xv) Treasurer of State;
13 (xvi) Department of Finance and Administration –
14 Division of Administrative Services:
15 (a) Director’s Office;
16 (b) Director’s Office – Office of Economic
17 Analysis and Tax Research;
18 (c) Office of Accounting;
19 (d) Office of Budget; and
20 (e) Office of Administrative Services – Office
21 of Information Services; and
22 (xvii) Department of Finance and Administration –
23 Revenue Division.

24 (D) The Chief Fiscal Officer of the State shall notify the
25 disbursing officers of the appropriations from the State Central Services
26 Fund not enumerated in subdivision (e)(3)(C) of this section of the amount of
27 their portion of any reduction required from their authorized appropriations
28 in order to maintain the State Central Services Fund with a projected
29 positive balance.

30 (E) Funds or appropriations for that particular disbursing
31 agency enumerated in subdivision (e)(3)(C) of this section shall not be
32 affected if a deficit occurs in other State Central Services Fund
33 appropriations or funds not enumerated in subdivision (e)(3)(C) of this
34 section for that particular disbursing agency.

35

36 19-21-106. Service charges against state agencies.

1 (a)(1) As used in this section, "state agency" includes all boards,
2 commissions, departments, agencies, institutions, offices, or officers, and
3 any other office or unit of the State of Arkansas created pursuant to law or
4 pursuant to any action of the Governor, functioning under appropriation of
5 the General Assembly or functioning as a representative of the State of
6 Arkansas without appropriation of the General Assembly.

7 (2) As used in this section, "state agency" does not include the:

8 (A) Department of Education and any of its divisions,
9 community colleges and branches thereof, universities and branches thereof,
10 technical colleges, technical institutes, postsecondary vocational-technical
11 schools, and comprehensive lifelong learning centers;

12 (B) Office of the Commissioner of State Lands; or

13 (C) Department of Parks, Heritage, and Tourism.

14 (b)(1) Each state agency whose annual income or revenue as reflected
15 by the previous fiscal year's audit exceeds twenty-five thousand dollars
16 (\$25,000), shall remit by check on the first day of each calendar quarter to
17 the Treasurer of State an amount equal to one and five-tenths percent (1.5%)
18 of the total expenditures of the previous calendar quarter from those cash
19 funds as defined under § 19-4-801, excluding funds received from the United
20 States Government or those held in trust by the state agency or those funds
21 of the various state retirement systems. Funds received by the Division of
22 Arkansas Heritage from voluntary donations are also excluded.

23 (2) If a state agency elects to deposit its cash funds into the
24 State Treasury under the provisions of § 19-4-503, then the amount required
25 under this section shall be transferred from the state agency's treasury fund
26 to the State Central Services Fund.

27 (c) The Treasurer of State shall deposit each check as a nonrevenue
28 receipt to the credit of the State Central Services Fund in order to provide
29 financial support for certain required administrative functions of state
30 government.

31
32 19-21-107. Certain sales and use taxes not subject to deduction,
33 transfer, or distribution.

34 The sales and use taxes levied under Arkansas Constitution, Amendment
35 91, § 3, and Arkansas Constitution, Amendment 101, § 2, are not subject to
36 deduction, transfer, or distribution to the Constitutional Officers Fund or

1 the State Central Services Fund under §§ 19-21-102, 19-21-103, and 19-21-105.

2
3 CHAPTER 22

4 GENERAL REVENUE OPERATING FUNDS AND FUND ACCOUNTS

5
6 19-22-101. Funds and fund accounts – Generally.

7 There are created on the books of the Treasurer of State, the Auditor
8 of State, and the Chief Fiscal Officer of the State the general revenue
9 operating funds and fund accounts in this *chapter* which shall be used only
10 for those purposes as set out in this *chapter*. These funds shall consist of
11 the governmental revenues as set out in this *chapter*.

12
13 19-22-102. State General Government Fund.

14 The State General Government Fund shall consist of the following fund
15 accounts and funds made available for the support of the various departments
16 of government as set out below and shall be used for the same purposes as set
17 out for the following fund accounts:

18 (1) Division of Correction Inmate Care and Custody Fund Account.

19 (A) The Division of Correction Inmate Care and Custody
20 Fund Account shall be used for the maintenance, operation, and improvement of
21 the Division of Correction required in carrying out those powers, functions,
22 and duties relating to nonfarm or crop-producing programs as established by
23 law.

24 (B) The Division of Correction Inmate Care and Custody
25 Fund Account shall consist of:

26 (i) Those general revenues as may be provided by
27 law;

28 (ii) Nonrevenue income derived from services
29 provided by the inmate care and custody program;

30 (iii) Excess farm profits as may be provided by law;
31 and

32 (iv) Any other funds provided by law, including
33 federal reimbursements received for eligible expenditures by the various
34 programs of the Division of Correction from appropriations made payable from
35 the Division of Correction Inmate Care and Custody Fund Account;

36 (2) Department of the Military Fund Account.

1 (A) The Department of the Military Fund Account shall be
2 used for the maintenance, operation, and improvement of the Department of the
3 Military required in carrying out the powers, functions, and duties as set
4 out in the Military Code of Arkansas, Title 12, Chapters 60-64, or other
5 duties imposed by law upon the State Militia, Department of the Military, and
6 the Arkansas Wing of the Civil Air Patrol, which was separated from the
7 Department of Public Safety [abolished] by Acts 1981, No. 45, §§ 4 and 5.

8 (B) The Department of the Military Fund Account shall
9 consist of:

10 (i) Those general revenues as may be provided by
11 law;

12 (ii) Nonrevenue income derived from services
13 provided by the Department of the Military; and

14 (iii) Any other funds as may be provided by law.

15 (C) Federal reimbursement funds received on account of
16 eligible expenditures by the State Militia or the Department of the Military
17 shall be deposited into the Special Military Fund established on the books of
18 the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of
19 the State, there to be used as may be provided by law;

20 (3) Parks and Tourism Fund Account.

21 (A) The Parks and Tourism Fund Account shall be used for
22 the maintenance, operation, and improvement required by the Department of
23 Parks, Heritage, and Tourism as created by § 25-43-1301, or other duties
24 imposed by law upon the State Parks Division and the Tourism Division, the
25 State Parks, Recreation, and Travel Commission, or upon any state park of
26 Arkansas.

27 (B) The Parks and Tourism Fund Account shall consist of:

28 (i) Those general revenues as may be provided by
29 law;

30 (ii) Nonrevenue income derived from services
31 provided by the various divisions of the State Parks Division and the Tourism
32 Division; and

33 (iii) Any other funds that may be provided by law.

34 (C) Funds received by the various state parks under the
35 direction of the Department of Parks, Heritage, and Tourism which are not
36 required to be deposited into the State Treasury shall be deposited into

1 banks, there to be disbursed as may be appropriated by the General Assembly
2 or to be used as may be otherwise provided by law;

3 (4) Division of Environmental Quality Fund Account.

4 (A) The Division of Environmental Quality Fund Account
5 shall be used for the maintenance, operation, and improvement required by the
6 Division of Environmental Quality in carrying out the powers, functions, and
7 duties as set out in Title 8, Chapters 1-10, or other duties imposed by law.

8 (B) The Division of Environmental Quality Fund Account shall
9 consist of:

10 (i) Those general revenues as may be provided by law;

11 (ii) Such funds received from the Arkansas State Game and
12 Fish Commission and from the Oil and Gas Commission as may be provided by
13 law;

14 (iii) Nonrevenue income derived from services provided by
15 the Division of Environmental Quality; and

16 (iv) Any other funds provided by law;

17 (5) Arkansas Economic Development Commission Fund Account.

18 (A) The Arkansas Economic Development Commission Fund
19 Account shall be used for the maintenance, operation, and improvement
20 required by the Arkansas Economic Development Commission and the Arkansas
21 Economic Development Council in carrying out the powers, functions, and
22 duties as set out in §§ 15-4-101, 15-4-102, 15-4-201 – 15-4-204, 15-4-206,
23 15-4-209 – 15-4-212, 15-4-501 – 15-4-524, and 15-10-201 – 15-10-206, or other
24 duties imposed by law upon the Arkansas Economic Development Commission or
25 the Arkansas Energy Office of the Division of Environmental Quality.

26 (B) The Arkansas Economic Development Commission Fund
27 Account shall consist of:

28 (i) Those general revenues as may be provided by
29 law;

30 (ii) Nonrevenue income derived from services
31 performed by the various divisions of the Arkansas Economic Development
32 Council; and

33 (iii) Any other funds that may be provided by law;

34 (6) Division of Higher Education Fund Account.

35 (A) The Division of Higher Education Fund Account shall be
36 used for the maintenance, operation, and improvement required by the Division

1 of Higher Education in carrying out the duties imposed by law upon the
2 Arkansas Higher Education Coordinating Board or the Commission on
3 Coordination of Educational Finance, which was transferred to the Arkansas
4 Higher Education Coordinating Board and to the Department of Higher
5 Education, under the provisions of § 25-7-101.

6 (B) The Division of Higher Education Fund Account shall
7 consist of:

8 (i) Those general revenues as may be provided by
9 law;

10 (ii) Federal reimbursement on account of eligible
11 expenditures made by the Division of Higher Education;

12 (iii) Nonrevenue income derived from services
13 provided by the Division of Higher Education; and

14 (iv) Any other funds provided by law.

15 (C) Proceeds derived from the repayment of loans, grants,
16 or scholarships funded by the Higher Education Grants Fund Account shall be
17 deposited into the State Treasury fund from which it originated;

18 (7) Department of Labor and Licensing Fund Account.

19 (A) The Department of Labor and Licensing Fund Account
20 shall be used for the maintenance, operation, and improvement required by the
21 Department of Labor and Licensing in carrying out those powers, functions,
22 and duties imposed by law upon the Secretary of the Department of Labor and
23 Licensing or the Department of Labor and Licensing, or upon the State Mine
24 Inspector as set out in § 11-7-201 et seq., or any other duties that may be
25 imposed by law upon the Department of Labor and Licensing which was
26 transferred to the Department of Labor and Licensing by § 25-12-101
27 [repealed].

28 (B) The Department of Labor and Licensing Fund Account shall
29 consist of:

30 (i) Those general revenues as may be provided by law; and

31 (ii) Any other funds as may be provided by law, including
32 federal reimbursement received on account of eligible expenditures by the
33 various programs of the Department of Labor and Licensing operating from and
34 having appropriations made payable from the Department of Labor and Licensing
35 Fund Account;

36 (8) Livestock and Poultry Fund Account.

1 (A) The Livestock and Poultry Fund Account shall be used
2 for the maintenance, operation, and improvement of the Arkansas Livestock and
3 Poultry Commission, which was separated from the Department of Commerce
4 [abolished] by Acts 1981, No. 867, § 1, in carrying out the functions,
5 powers, and duties as set out in § 2-33-101 et seq., or other duties imposed
6 by law upon the Arkansas Livestock and Poultry Commission.

7 (B) The Livestock and Poultry Fund Account shall consist
8 of:

9 (i) Those general revenues as may be provided by
10 law; and

11 (ii) Any other funds provided by law;

12 (9) Miscellaneous Agencies Fund Account.

13 (A) The Miscellaneous Agencies Fund Account may be used
14 for the state's membership in regional or national associations, grants to
15 certain organizations, and maintenance, operations, and improvements of
16 appropriation units as may be authorized by the General Assembly.

17 (B) The Miscellaneous Agencies Fund Account shall consist
18 of:

19 (i) Those general revenues as may be provided by
20 law;

21 (ii) Nonrevenue income derived from services
22 provided by the various agencies and programs funded from the Miscellaneous
23 Agencies Fund Account;

24 (iii) Federal reimbursement received on account of
25 eligible expenditures of the various agencies and programs receiving primary
26 support from the Miscellaneous Agencies Fund Account;

27 (iv) Those special revenues as specified in
28 subdivision (233) and that portion of subdivision (201) in § 19-42-201 of the
29 Revenue Classification Law, § 19-40-101 et seq.;

30 (v) That portion of forfeited registration fees for
31 beer kegs sold for off-site consumption; and

32 (vi) Civil penalties paid or recovered as set out in
33 § 2-24-108(d)(2).

34 (C) If there are not sufficient funds available in the
35 Miscellaneous Agencies Fund Account to support the amounts appropriated from
36 the Miscellaneous Agencies Fund Account, the Chief Fiscal Officer of the

1 State shall determine the amount of moneys to be made available for each of
2 the appropriations made from the Miscellaneous Agencies Fund Account, after
3 having first provided full funding for all national and regional association
4 dues;

5 (10) Division of Arkansas Heritage Fund Account.

6 The Division of Arkansas Heritage Fund Account shall consist of
7 those general revenues as provided by law for the Division of Arkansas
8 Heritage and shall be used for the maintenance, operation, and improvement of
9 the Division of Arkansas Heritage;

10 (11) Higher Education Grants Fund Account.

11 (A) The Higher Education Grants Fund Account shall be used
12 for the:

13 (i) State's contribution for tuition support for
14 Arkansas students attending out-of-state schools in dentistry, optometry,
15 veterinary, podiatry, osteopathy, and chiropractic; and

16 (ii)(a) Disbursement of funds for the Arkansas
17 Academic Challenge Scholarship Program and other various scholarship, loan,
18 and grant programs as authorized by law and administered by the Division of
19 Higher Education or other state agencies made disbursing agents by the
20 General Assembly from the Higher Education Grants Fund Account.

21 (b) Disbursement of additional funds allocated
22 for the Arkansas Academic Challenge Scholarship Program under this
23 subdivision (11)(A)(ii) shall account for the distribution of up to two
24 million dollars (\$2,000,000) by the Division of Higher Education on behalf of
25 students who are enrolled in a technical institute or a vocational-technical
26 institute.

27 (B) The Higher Education Grants Fund Account shall consist
28 of transfers from the Private Career School Student Protection Trust Fund
29 under § 6-51-607 and those general revenues and any other funds as may be
30 provided by law;

31 (12) Division of Community Correction Fund Account.

32 (A) The Division of Community Correction Fund Account
33 shall be used for the maintenance, operation, and improvement of the Division
34 of Community Correction required in carrying out those powers, functions, and
35 duties as established by law.

36 (B) The Division of Community Correction Fund Account

1 shall consist of:

2 (i) Those general revenues as may be provided by
3 law;

4 (ii) Nonrevenue income derived from services
5 provided by the probation, parole, post-release supervision, and community
6 correction program; and

7 (iii) Any other funds provided by law, including
8 federal reimbursements received for eligible expenditures by the various
9 programs of the Division of Correction from appropriations made payable from
10 the Division of Community Correction Fund Account;

11 (13) Department of Agriculture Fund Account.

12 (A) The Department of Agriculture Fund Account shall be
13 used for the maintenance, operation, and improvement required by the
14 Department of Agriculture in carrying out those powers, functions, and duties
15 imposed by law upon the Secretary of the Department of Agriculture as set out
16 in Title 25, Chapter 38, or any other duties that may be imposed by law upon
17 the Department of Agriculture which were transferred to the Department of
18 Agriculture under the provisions of §§ 25-38-206 and 25-38-211.

19 (B) The Department of Agriculture Fund Account shall
20 consist of:

21 (i) Those general revenues as may be provided by
22 law;

23 (ii) Nonrevenue income derived from services
24 provided by the various divisions of the Department of Agriculture;

25 (iii) Federal reimbursement received on account of
26 eligible expenditures by the various programs of the Department of
27 Agriculture operating from and having appropriations made payable from the
28 Department of Agriculture Fund Account; and

29 (iv) Any other funds as may be provided by law.
30

31 19-22-103. Institutions of higher education funds.

32 (a) University of Arkansas Fund.

33 (1) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
35 known as the "University of Arkansas Fund".

36 (2) The University of Arkansas Fund shall be used for the

1 maintenance, operation, and improvement of the University of Arkansas,
2 including the University of Arkansas at Fayetteville, the Arkansas
3 Cooperative Extension Service, the Arkansas Agricultural Experiment Station,
4 the Graduate Institute of Technology, the Arkansas Archeological Survey, and
5 for such other related and miscellaneous programs as may be provided by law.

6 (3) The University of Arkansas Fund shall consist of:

7 (A) Those general revenues that may be provided by law;

8 (B) Those special revenues as set out in § 19-42-201(45),
9 § 19-42-201(229), and § 19-42-201(232); and

10 (C) Funds received from the Budget Stabilization Trust
11 Fund as authorized by § 19-24-101.

12 (b) University of Arkansas Medical Center Fund.

13 (1) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
15 known as the "University of Arkansas Medical Center Fund".

16 (2) The University of Arkansas Medical Center Fund is to be used
17 for the maintenance, operation, and improvement of the University of Arkansas
18 for Medical Sciences and its various divisions and programs, including the
19 area health education centers and physician extender programs.

20 (3) The University of Arkansas Medical Center Fund shall consist
21 of:

22 (A) Those general revenues as may be provided by law;

23 (B) Those special revenues as set out in § 19-42-201(224);
24 and

25 (C) Any other funds made available for the support of the
26 University of Arkansas for Medical Sciences which are required to be
27 deposited into the State Treasury.

28 (c) University of Arkansas at Little Rock Fund.

29 (1) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
31 known as the "University of Arkansas at Little Rock Fund".

32 (2) The University of Arkansas at Little Rock Fund shall be used
33 for the maintenance, operation, and improvement of the Little Rock campus of
34 the University of Arkansas and its various divisions and programs, including
35 the Arkansas Economic Development Institute.

36 (3) The University of Arkansas at Little Rock Fund shall consist

1 of:

2 (A) Those general revenues as may be provided by law;

3 (B) Those special revenues as set out in § 19-42-201(229);

4 and

5 (C) Any other funds made available for the support of the
6 University of Arkansas at Little Rock which are required to be deposited into
7 the State Treasury by law.

8 (d) University of Arkansas at Monticello Fund.

9 (1) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
11 known as the "University of Arkansas at Monticello Fund".

12 (2) The University of Arkansas at Monticello Fund shall be used
13 for the maintenance, operation, and improvement of the Monticello campus of
14 the University of Arkansas and its various divisions, the University of
15 Arkansas at Monticello College of Technology-Crossett, and the University of
16 Arkansas at Monticello College of Technology-McGehee.

17 (3) The University of Arkansas at Monticello Fund shall consist
18 of:

19 (A) Those general revenues as may be provided by law;

20 (B) The June 30, 2003, balances in the Forest Echoes
21 Technical Institute Fund Account and the Great Rivers Comprehensive Lifelong
22 Learning Center Fund Account; and

23 (C) Any other funds made available for the support of the
24 University of Arkansas at Monticello which are required to be deposited into
25 the State Treasury by law.

26 (e) University of Arkansas at Pine Bluff Fund.

27 (1) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
29 known as the "University of Arkansas at Pine Bluff Fund".

30 (2) The University of Arkansas at Pine Bluff Fund shall be used
31 for the maintenance, operation, and improvement of the Pine Bluff campus of
32 the University of Arkansas.

33 (3) The University of Arkansas at Pine Bluff Fund shall consist
34 of:

35 (A) Those general revenues as may be provided by law; and

36 (B) Any other funds made available for the support of the

1 University of Arkansas at Pine Bluff and its various divisions, including the
2 special teacher training program, which are required to be deposited into the
3 State Treasury by law.

4 (f) Arkansas State University Fund.

5 (1) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
7 known as the "Arkansas State University Fund".

8 (2) The Arkansas State University Fund shall be used for the
9 maintenance, operation, and improvement of Arkansas State University.

10 (3) The Arkansas State University Fund shall consist of:

11 (A) Those general revenues as may be provided by law; and

12 (B) Any other funds made available for the support of
13 Arkansas State University which are required to be deposited into the State
14 Treasury by law.

15 (g) Arkansas State University – Beebe Fund.

16 (1) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
18 known as the "Arkansas State University – Beebe Fund".

19 (2) The Arkansas State University – Beebe Fund shall be used for
20 the maintenance, operation, and improvement of Arkansas State University-
21 Beebe, including Arkansas State Technical Institute, Arkansas State
22 University-Searcy, and Arkansas State University-Heber Springs.

23 (3) The Arkansas State University – Beebe Fund shall consist of:

24 (A) Those general revenues as may be provided by law; and

25 (B) Any other funds made available for the support of
26 Arkansas State University-Beebe which are required to be deposited into the
27 State Treasury by law.

28 (h) Arkansas Tech University Fund.

29 (1) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
31 known as the "Arkansas Tech University Fund".

32 (2) The Arkansas Tech University Fund shall be used for the
33 maintenance, operation, and improvement of Arkansas Tech University.

34 (3) The Arkansas Tech University Fund shall consist of:

35 (A) Those general revenues as may be provided by law; and

36 (B) Any other funds made available for the support of

1 Arkansas Tech University which are required to be deposited into the State
2 Treasury by law.

3 (i) Henderson State University Fund.

4 (1) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
6 known as the "Henderson State University Fund".

7 (2) The Henderson State University Fund shall be used for the
8 maintenance, operation, and improvement of Henderson State University,
9 including the nursing program.

10 (3) The Henderson State University Fund shall consist of:

11 (A) Those general revenues as may be provided by law; and

12 (B) Any other funds made available for the support of
13 Henderson State University which are required to be deposited into the State
14 Treasury by law.

15 (j) Southern Arkansas University Fund.

16 (1) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
18 known as the "Southern Arkansas University Fund".

19 (2) The Southern Arkansas University Fund shall be used for the
20 maintenance, operation, and improvement of Southern Arkansas University.

21 (3) The Southern Arkansas University Fund shall consist of:

22 (A) Those general revenues as may be provided by law; and

23 (B) Any other funds made available for the support of
24 Southern Arkansas University and its programs which are required to be
25 deposited into the State Treasury by law.

26 (k) University of Central Arkansas Fund.

27 (1) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
29 known as the "University of Central Arkansas Fund".

30 (2) The University of Central Arkansas Fund shall be used for
31 the maintenance, operation, and improvement of the University of Central
32 Arkansas.

33 (3) The University of Central Arkansas Fund shall consist of:

34 (A) Those general revenues as may be provided by law; and

35 (B) Any other funds made available for the support of the
36 University of Central Arkansas which are required to be deposited into the

1 State Treasury by law.

2 (1) University of Arkansas at Fort Smith Fund.

3 (1) There is created on the books of the Treasurer of State, the
4 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
5 known as the "University of Arkansas at Fort Smith Fund".

6 (2) The University of Arkansas at Fort Smith Fund shall be used
7 for the maintenance, operation, and improvement of the University of Arkansas
8 at Fort Smith.

9 (3) The University of Arkansas at Fort Smith Fund shall consist
10 of:

11 (A) Those general revenues as may be provided by law; and

12 (B) Any other funds made available for the support of the
13 University of Arkansas at Fort Smith which are required to be deposited into
14 the State Treasury by law.

15 (m) North Arkansas College Fund.

16 (1) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
18 known as the "North Arkansas College Fund".

19 (2) The North Arkansas College Fund shall be used for the
20 maintenance, operation, and improvement of North Arkansas College.

21 (3) The North Arkansas College Fund shall consist of:

22 (A) Those general revenues as may be provided by law; and

23 (B) Any other funds made available for the support of
24 North Arkansas College which are required to be deposited into the State
25 Treasury by law.

26 (n) East Arkansas Community College Fund.

27 (1) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
29 known as the "East Arkansas Community College Fund".

30 (2) The East Arkansas Community College Fund shall be used for
31 the maintenance, operation, and improvement of East Arkansas Community
32 College.

33 (3) The East Arkansas Community College Fund shall consist of:

34 (A) Those general revenues as may be provided by law; and

35 (B) Any other funds made available for the support of East
36 Arkansas Community College which are required to be deposited into the State

1 Treasury by law.

2 (o) Arkansas Northeastern College Fund.

3 (1) There is created on the books of the Treasurer of State, the
4 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
5 known as the "Arkansas Northeastern College Fund".

6 (2) The Arkansas Northeastern College Fund shall be used for the
7 maintenance, operation, and improvement of Arkansas Northeastern College.

8 (3) The Arkansas Northeastern College Fund shall consist of:

9 (A) Those general revenues as may be provided by law; and

10 (B) Any other funds made available for the support of
11 Arkansas Northeastern College which are required to be deposited into the
12 State Treasury by law.

13 (p) Phillips Community College of the University of Arkansas Fund.

14 (1) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
16 known as the "Phillips Community College of the University of Arkansas Fund".

17 (2) The Phillips Community College of the University of Arkansas
18 Fund shall be used for the maintenance, operation, and improvement of
19 Phillips Community College of the University of Arkansas, including the
20 Stuttgart and DeWitt campuses.

21 (3) The Phillips Community College of the University of Arkansas
22 Fund shall consist of:

23 (A) Those general revenues as may be provided by law; and

24 (B) Any other funds made available for the support of
25 Phillips Community College of the University of Arkansas which are required
26 to be deposited into the State Treasury by law.

27 (q) University of Arkansas Community College at Rich Mountain Fund.

28 (1) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
30 known as the "University of Arkansas Community College at Rich Mountain
31 Fund".

32 (2) The University of Arkansas Community College at Rich
33 Mountain Fund shall be used for the maintenance, operation, and improvement
34 of the University of Arkansas Community College at Rich Mountain.

35 (3) The University of Arkansas Community College at Rich
36 Mountain Fund shall consist of:

1 (A) Those general revenues as may be provided by law; and
2 (B) Any other funds made available for the support of the
3 University of Arkansas Community College at Rich Mountain which are required
4 to be deposited into the State Treasury by law.

5 (r) Northwest Arkansas Community College Fund.

6 (1) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
8 known as the "Northwest Arkansas Community College Fund".

9 (2) The Northwest Arkansas Community College Fund shall be used
10 for the maintenance, operation, and improvement of Northwest Arkansas
11 Community College.

12 (3) The Northwest Arkansas Community College Fund shall consist
13 of:

14 (A) Those general revenues as may be provided by law; and

15 (B) Any other funds made available for the support of
16 Northwest Arkansas Community College which are required to be deposited into
17 the State Treasury by law.

18 (s) South Arkansas College Fund.

19 (1) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
21 known as the "South Arkansas College Fund".

22 (2) The South Arkansas College Fund shall be used for the
23 maintenance, operation, and improvement of South Arkansas College.

24 (3) The South Arkansas College Fund shall consist of:

25 (A) Those general revenues as may be provided by law; and

26 (B) Any other funds made available for the support of
27 South Arkansas College, which are required to be deposited into the State
28 Treasury by law.

29 (t) SAU-Tech Fund.

30 (1) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
32 known as the "SAU-Tech Fund".

33 (2) The SAU-Tech Fund shall be used for the maintenance,
34 operation, and improvement of SAU-Tech, the Arkansas Fire Training Academy,
35 and the Arkansas Environmental Training Academy.

36 (3) The SAU-Tech Fund shall consist of:

- 1 (A) Those general revenues as may be provided by law; and
2 (B) Any other funds made available for the support of SAU-
3 Tech and its programs which are required to be deposited into the State
4 Treasury by law.
- 5 (u) Arkansas State University Mid-South Fund.
- 6 (1) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
8 known as the "Arkansas State University Mid-South Fund".
- 9 (2) The Arkansas State University Mid-South Fund shall be used
10 for the maintenance, operation, and improvement of Arkansas State University
11 Mid-South.
- 12 (3) The Arkansas State University Mid-South Fund shall consist
13 of:
- 14 (A) Those general revenues as may be provided by law;
15 (B) Those special revenues as set out in § 19-42-201; and
16 (C) Any other funds made available for the support of
17 Arkansas State University Mid-South which are required to be deposited into
18 the State Treasury by law.
- 19 (v) University of Arkansas Community College at Hope-Texarkana Fund.
- 20 (1) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
22 known as the "University of Arkansas Community College at Hope-Texarkana
23 Fund".
- 24 (2) The University of Arkansas Community College at Hope-
25 Texarkana Fund shall be used for the maintenance, operation, and improvement
26 of the University of Arkansas Community College at Hope-Texarkana.
- 27 (3) The University of Arkansas Community College at Hope-
28 Texarkana Fund shall consist of:
- 29 (A) Those general revenues as may be provided by law; and
30 (B) Any other funds made available for the support of the
31 University of Arkansas Community College at Hope-Texarkana which are required
32 to be deposited into the State Treasury by law.
- 33 (w) University of Arkansas Community College at Batesville Fund.
- 34 (1) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
36 known as the "University of Arkansas Community College at Batesville Fund".

1 (2) The University of Arkansas Community College at Batesville
2 Fund shall be used for the maintenance, operation, and improvement of the
3 University of Arkansas Community College at Batesville.

4 (3) The University of Arkansas Community College at Batesville
5 Fund shall consist of:

6 (A) Those general revenues as may be provided by law; and

7 (B) Any other funds made available for the support of the
8 University of Arkansas Community College at Batesville which are required to
9 be deposited into the State Treasury by law.

10 (x) Arkansas State University – Newport Fund.

11 (1) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
13 known as the “Arkansas State University – Newport Fund”.

14 (2) The Arkansas State University – Newport Fund shall be used
15 for the maintenance, operation, and improvement of Arkansas State University
16 – Newport.

17 (3) The Arkansas State University – Newport Fund shall consist
18 of:

19 (A) Those general revenues as may be provided by law; and

20 (B) Any other funds made available for the support of
21 Arkansas State University – Newport which are required to be deposited into
22 the State Treasury by law.

23 (y) Cossatot Community College of the University of Arkansas Fund.

24 (1) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
26 known as the “Cossatot Community College of the University of Arkansas Fund”.

27 (2) The Cossatot Community College of the University of Arkansas
28 Fund shall be used for the maintenance, operation, and improvement of
29 Cossatot Community College of the University of Arkansas.

30 (3) The Cossatot Community College of the University of Arkansas
31 Fund shall consist of:

32 (A) Those general revenues as may be provided by law; and

33 (B) Any other funds made available for the support of
34 Cossatot Community College of the University of Arkansas which are required
35 to be deposited into the State Treasury by law.

36 (z) University of Arkansas Community College at Morrilton Fund.

1 (1) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
3 known as the "University of Arkansas Community College at Morrilton Fund".

4 (2) The University of Arkansas Community College at Morrilton
5 Fund shall be used for the maintenance, operation, and improvement of the
6 University of Arkansas Community College at Morrilton.

7 (3) The University of Arkansas Community College at Morrilton
8 Fund shall consist of:

9 (A) Those general revenues as may be provided by law; and

10 (B) Any other funds made available for the support of the
11 University of Arkansas Community College at Morrilton which are required to
12 be deposited into the State Treasury by law.

13 (aa) Arkansas State University-Mountain Home Fund.

14 (1) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
16 known as the "Arkansas State University-Mountain Home Fund".

17 (2) The Arkansas State University-Mountain Home Fund shall be
18 used for the maintenance, operation, and improvement of Arkansas State
19 University-Mountain Home.

20 (3) The Arkansas State University-Mountain Home Fund shall
21 consist of:

22 (A) Those general revenues as may be provided by law; and

23 (B) Any other funds made available for the support of
24 Arkansas State University-Mountain Home which are required to be deposited
25 into the State Treasury by law.

26 (bb) National Park College Fund.

27 (1) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
29 known as the "National Park College Fund".

30 (2) The National Park College Fund shall be used for the
31 maintenance, operation, and improvement of National Park College.

32 (3) The National Park College Fund shall consist of:

33 (A) Those general revenues transferred each month from the
34 Garland County Community College Fund [repealed];

35 (B) The June 30, 2003, balances in the Garland County
36 Community College Fund [repealed]; and

1 (C) Any other funds made available for the support of
2 National Park College which are required to be deposited into the State
3 Treasury by law.

4 (cc) School for Math, Sciences, and Arts Fund.

5 (1) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
7 known as the "School for Math, Sciences, and Arts Fund".

8 (2) The School for Math, Sciences, and Arts Fund shall be used
9 to provide for the maintenance, operation, and improvement required by the
10 Arkansas School for Mathematics, Sciences, and the Arts in carrying out its
11 powers, functions, and duties as set out by law.

12 (3) The School for Math, Sciences, and Arts Fund shall consist
13 of:

14 (A) Moneys allocated and transferred from the Educational
15 Excellence Trust Fund;

16 (B) Any general revenues as may be provided under this
17 *subtitle*; and

18 (C) Any other moneys as may be authorized by law.

19 (dd) Ozarka College Fund.

20 (1) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
22 known as the "Ozarka College Fund".

23 (2) The Ozarka College Fund shall be used for the maintenance,
24 operation, and improvement of Ozarka College.

25 (3) The Ozarka College Fund shall consist of:

26 (A) Those general revenues as may be provided by law; and

27 (B) Any other funds made available for the support of
28 Ozarka College which are required to be deposited into the State Treasury by
29 law.

30 (ee) Southeast Arkansas College Fund.

31 (1) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
33 known as the "Southeast Arkansas College Fund".

34 (2) The Southeast Arkansas College Fund shall be used for the
35 maintenance, operation, and improvement of Southeast Arkansas College.

36 (3) The Southeast Arkansas College Fund shall consist of:

1 (A) Those general revenues as may be provided by law; and
2 (B) Any other funds made available for the support of
3 Southeast Arkansas College which are required to be deposited into the State
4 Treasury by law.

5 (ff) Arkansas State University Three Rivers Fund.

6 (1) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
8 known as the "Arkansas State University Three Rivers Fund".

9 (2) The Arkansas State University Three Rivers Fund shall be
10 used for the maintenance, operation, and improvement of the Arkansas State
11 University Three Rivers.

12 (3) The Arkansas State University Three Rivers Fund shall
13 consist of:

14 (A) Those general revenues as may be provided by law; and

15 (B) Any other funds made available for the support of the
16 Arkansas State University Three Rivers which are required to be deposited
17 into the State Treasury by law.

18

19 19-22-104. Education Fund.

20 The Education Fund shall consist of the following funds and fund
21 accounts made available for the support of the Division of Elementary and
22 Secondary Education, the Division of Career and Technical Education, the
23 Adult Education Section, and the Office of Skills Development, and shall be
24 used for the same purposes as set out for the following fund accounts:

25 (1) Division of Elementary and Secondary Education Fund Account.

26 (A) The Division of Elementary and Secondary Education
27 Fund Account shall be used to provide for the maintenance, operation, and
28 improvement of the Division of Elementary and Secondary Education created in
29 § 25-6-102, and any other laws imposing functions, powers, and duties upon
30 the State Board of Education, the Division of Elementary and Secondary
31 Education, and the Commissioner of Elementary and Secondary Education,
32 including, but not necessarily limited to, history textbooks expenses, the
33 Publishing Revolving Account, audio-visual services, textbooks operation,
34 compact for education, including the state's membership, and the state's
35 contribution to the Southern Regional Education Board.

36 (B) The Division of Elementary and Secondary Education

1 Fund Account shall consist of:

2 (i) Those general revenues as may be provided by the
3 Revenue Stabilization Law, § 19-20-101 et seq.; and

4 (ii) Nonrevenue income derived from services
5 provided by those programs supported from the Division of Elementary and
6 Secondary Education Fund Account, including any rental property located on
7 the State Capitol grounds owned by the Division of Elementary and Secondary
8 Education;

9 (2) Division of Career and Technical Education Fund Account.

10 (A) The Division of Career and Technical Education Fund
11 Account shall be used to provide support for those programs placed under the
12 direction of the Director of the Division of Career and Technical Education
13 as authorized by §§ 6-11-101, 6-11-102, 25-6-101, 25-6-102, and Acts 1981,
14 No. 64, § 4, and any other laws imposing functions, powers, and duties upon
15 the State Board of Education with respect to career and technical education,
16 including without limitation the following:

17 (i) Vocational, technical, and adult education;

18 (ii) Adult basic education;

19 (iii) Manpower training;

20 (iv) Vocational standards;

21 (v) Industry training programs; and

22 (vi) Those functions, programs, and responsibilities
23 transferred to the Division of Career and Technical Education, the Adult
24 Education Section, and the Office of Skills Development, as authorized by
25 these statutes.

26 (B) The Division of Career and Technical Education Fund
27 Account shall consist of those general revenues as may be provided by the
28 Revenue Stabilization Law, § 19-20-101 et seq.;

29 (3) Educational Television Fund Account.

30 (A) The Educational Television Fund Account shall be used
31 for the maintenance, operation, and improvement required by the Educational
32 Television Division of the Division of Elementary and Secondary Education in
33 carrying out those powers, functions, and duties of the Arkansas Educational
34 Television Commission as set out in § 6-3-101 et seq. or other duties imposed
35 by law upon the Arkansas Educational Television Commission.

36 (B) The Educational Television Fund Account shall consist

1 of those general revenues as may be provided by law and nonrevenue income
2 derived from services provided by the Educational Television Division of the
3 Division of Elementary and Secondary Education and any other nonfederal grant
4 funds provided by law;

5 (4) State Library Fund Account.

6 (A) The State Library Fund Account shall be used for the
7 maintenance, operation, and improvement required by the Library Division of
8 the Department of Education in carrying out the powers, functions, and duties
9 as set out in § 13-2-201 et seq. or any other duties imposed by law upon the
10 State Library Commission, which were transferred to the Department of
11 Education by §§ 6-11-101, 6-11-102, and 25-6-102.

12 (B) The State Library Fund Account shall consist of those
13 general revenues as may be provided by law and nonrevenue income derived from
14 services provided by the Library Division of the Department of Education and
15 any other nonfederal grant funds provided by law;

16 (5) School for the Blind Fund Account.

17 (A) The School for the Blind Fund Account shall be used
18 for the maintenance, operation, and improvement required by the Arkansas
19 School for the Blind in carrying out those powers, functions, and duties as
20 set out in § 6-43-101 et seq. and § 6-43-201 et seq.

21 (B) The School for the Blind Fund Account shall consist of
22 those general revenues as may be provided by law and nonrevenue income
23 derived from services provided by the Arkansas School for the Blind and any
24 other nonfederal grant funds provided by law.

25 (C) Federal reimbursement funds received on account of
26 vocational education programs conducted by the Arkansas School for the Blind
27 shall not be deposited into the School for the Blind Fund Account;

28 (6) School for the Deaf Fund Account.

29 (A) The School for the Deaf Fund Account shall be used for
30 the maintenance, operation, and improvement required by the Arkansas School
31 for the Deaf in carrying out the powers, functions, and duties as set out in
32 § 6-43-301 et seq. or other duties imposed by law upon the Arkansas School
33 for the Deaf, which were transferred to the Department of Education by §§ 6-
34 11-101, 6-11-102, and 25-6-102.

35 (B) The School for the Deaf Fund Account shall consist of
36 those general revenues as may be provided by law and nonrevenue income

1 derived from services provided by the Arkansas School for the Deaf and any
2 other nonfederal grant funds provided by law.

3 (C) Federal reimbursement funds received on account of
4 vocational education programs conducted by the Arkansas School for the Deaf
5 shall not be deposited into the School for the Deaf Fund Account;

6 (7) Rehabilitation Services Fund Account.

7 (A) The Rehabilitation Services Fund Account shall be used
8 for the maintenance, operation, and improvement required by Arkansas
9 Rehabilitation Services in carrying out the powers, functions, and duties as
10 set out in § 6-52-101 et seq., the Rehabilitation Act of Arkansas, § 20-79-
11 201 et seq., and § 25-30-201 et seq., and for the program for adults with
12 disabilities at the Arkansas Health Center.

13 (B) The Rehabilitation Services Fund Account shall consist
14 of:

15 (i) Those general revenues as may be provided by
16 law;

17 (ii) Nonrevenue income derived from services
18 provided by rehabilitation programs of Arkansas Rehabilitation Services; and

19 (iii) Any other nonfederal grant funds provided by
20 law;

21 (8) Technical Institute and Other Education Fund Accounts. The
22 Northwest Technical Institute Fund Account shall be used for the maintenance,
23 operation, and improvement of Northwest Technical Institute. The Northwest
24 Technical Institute Fund Account shall consist of:

25 (A) Those general revenues as may be provided by law; and

26 (B) Any other funds made available for the support of
27 Northwest Technical Institute which are required to be deposited into the
28 State Treasury by law;

29 (9) Educational Facilities Partnership Fund Account.

30 (A) The Educational Facilities Partnership Fund Account
31 shall be used for distribution of grants for programs providing academic
32 school facility and transportation assistance to the public school districts
33 as may be provided by law.

34 (B) The Educational Facilities Partnership Fund Account
35 shall consist of:

36 (i) Those general revenues as may be provided by

1 law;

2 (ii) Moneys transferred from the Development and
3 Enhancement Fund; and

4 (iii) Any other moneys as may be provided by law;

5 (10) Division of Public School Academic Facilities and
6 Transportation Fund Account.

7 (A) The Division of Public School Academic Facilities and
8 Transportation Fund Account shall be used for the maintenance, operation, and
9 improvement required by the Division of Public School Academic Facilities and
10 Transportation as may be provided by law.

11 (B) The Division of Public School Academic Facilities and
12 Transportation Fund Account shall consist of:

13 (i) Those general revenues as may be provided by
14 law; and

15 (ii) Any other funds made available for the support
16 of the Division of Public School Academic Facilities and Transportation;

17 (11) Child Care Grant Fund Account.

18 (A) The Child Care Grant Fund Account shall be used for
19 the Child Care Grant program to consist of general revenues and any other
20 nonfederal funds, as may be appropriated by the General Assembly.

21 (B) Federal reimbursement received by the Department of
22 Education shall be deposited into separate funds on the books of the
23 Treasurer of State; and

24 (12) Child Care and Early Childhood Education Fund Account.

25 (A) The Child Care and Early Childhood Education Fund
26 Account shall be used for:

27 (i) The maintenance, operation, and improvement
28 required by the Division of Child Care and Early Childhood Education in
29 carrying out those functions, powers, and duties as set out in the Childcare
30 Facility Licensing Act, § 20-78-201 et seq.; and

31 (ii) Carrying out other duties imposed by law upon
32 the Division of Child Care and Early Childhood Education.

33 (B) The Child Care and Early Childhood Education Fund
34 Account shall consist of:

35 (i) Those general revenues as may be provided by
36 law;

1 (ii) Nonrevenue income derived from services
2 provided by the Division of Child Care and Early Childhood Education; and
3 (iii) Any other nonfederal grant-in-aid funds
4 provided by law.

5
6 19-22-105. Public School Fund.

7 (a) The Public School Fund shall consist of the following fund
8 accounts and funds made available for the support of the Division of
9 Elementary and Secondary Education, the Arkansas State Library, and the
10 Division of Career and Technical Education and shall be used for the same
11 purposes as set out for the following fund accounts:

12 (1) Division of Elementary and Secondary Education Public School
13 Fund Account. The Division of Elementary and Secondary Education Public
14 School Fund Account shall be used for grants and aids for the programs
15 administered by the Division of Elementary and Secondary Education as
16 authorized by law;

17 (2) Division of Career and Technical Education Public School
18 Fund Account. The Division of Career and Technical Education Public School
19 Fund Account shall be used for grants and aids for the programs administered
20 by the Division of Career and Technical Education, the Adult Education
21 Section, and the Office of Skills Development, consisting of, but not limited
22 to:

23 (A) General adult education grants;

24 (B) Adult basic education grants;

25 (C) Manpower development and training grants;

26 (D) Vocational-technical and adult education; and

27 (E) Such other grants and aids as may be authorized by law
28 for disbursement by the Division of Career and Technical Education, the Adult
29 Education Section, and the Office of Skills Development; and

30 (3) State Library Public School Fund Account. The State Library
31 Public School Fund Account shall be used for State Aid to Public Libraries as
32 administered by the Arkansas State Library.

33 (b) The Public School Fund shall consist of those moneys as may be
34 provided by:

35 (1) The Revenue Stabilization Law, § 19-20-101 et seq.;

36 (2) Any federal mineral leasing funds, federal forest reserve

1 funds, federal flood control funds, or any other similar turnback funds in
2 the State Treasury for which the eligible county or school district cannot be
3 identified;

4 (3) Fines collected pursuant to § 6-21-410 under the Free
5 Textbook Act of 1975, § 6-21-401 et seq.;

6 (4) Funds remitted by county treasurers for those school
7 districts which have local revenue per student in excess of the local base
8 per student, as set out in § 26-80-101(c);

9 (5) Amusement machine revenues up to and including thirty
10 thousand dollars (\$30,000), as set out in § 26-57-407;

11 (6) Twenty-five percent (25%) of additional rental vehicle tax
12 revenues under § 26-63-302, to be used exclusively for teacher salaries; and

13 (7) Such other funds as may be authorized by law.

14 (c)(1) There is authorized a transfer of up to two hundred thousand
15 dollars (\$200,000) per year from the Public School Fund to the Division of
16 Elementary and Secondary Education Fund Account or the Division of Career and
17 Technical Education Fund Account, or a portion thereof to both, by the
18 Treasurer of State and the Chief Fiscal Officer of the State, upon
19 certification as to the amount required by the Commissioner of Elementary and
20 Secondary Education or by the Director of the Division of Career and
21 Technical Education, or both, to the Chief Fiscal Officer of the State.

22 (2) This transfer shall be used to provide additional support
23 for the administration of the program for children with disabilities and the
24 vocational-technical and adult education program.

25
26 19-22-106. Department of Human Services Fund.

27 The Department of Human Services Fund shall consist of the following
28 fund accounts and funds made available for the support of the Department of
29 Human Services and shall be used for the same purposes as set out for the
30 following fund accounts:

31 (1) Behavioral Health Services Fund Account.

32 (A) The Behavioral Health Services Fund Account shall be
33 used for the maintenance, operation, and improvement required by the Division
34 of Aging, Adult, and Behavioral Health Services of the Department of Human
35 Services in carrying out the powers, functions, and duties, as set out in §
36 20-46-101 et seq. and § 25-10-101 et seq., or other duties imposed by law

1 upon the Arkansas State Hospital.

2 (B) The Behavioral Health Services Fund Account shall
3 consist of:

4 (i) Those general revenues as may be provided by
5 law;

6 (ii) Nonrevenue income derived from services
7 provided by the Arkansas State Hospital;

8 (iii) Federal reimbursement received on account of
9 eligible expenditures;

10 (iv) Paying patient fees and other funds as may be
11 provided by law;

12 (v) Funds received from local sources for community
13 program matching; and

14 (vi) Funds received from the Division of Medical
15 Services;

16 (2) Developmental Disabilities Services Fund Account.

17 (A) The Developmental Disabilities Services Fund Account
18 shall be used for the maintenance, operation, and improvement required by the
19 Division of Developmental Disabilities Services in carrying out the powers,
20 functions, and duties, as set out in § 20-48-101 et seq. and § 25-10-101 et
21 seq., and all laws amendatory thereto, or other duties imposed by law upon
22 the human development centers or the Board of Developmental Disabilities
23 Services.

24 (B) The Developmental Disabilities Services Fund Account
25 shall consist of:

26 (i) Those general revenues as may be provided by
27 law;

28 (ii) Nonrevenue income derived by services provided
29 by the human development centers;

30 (iii) Funds received from local sources to provide
31 matching for community developmental disabilities services programs; and

32 (iv) Reimbursement received from the Division of
33 Medical Services;

34 (3) Medical Services Fund Account.

35 (A) The Medical Services Fund Account shall be used for
36 the maintenance, operation, and improvement required by the Division of

1 Medical Services in carrying out the powers, functions, and duties as set out
2 in § 20-76-101 et seq. and § 25-10-101 et seq., including the support and
3 administration costs of the expanded Medical Services Program of the Division
4 of Medical Services for the working poor in Arkansas.

5 (B) The Medical Services Fund Account shall consist of:

6 (i) Those general revenues as may be provided by
7 law;

8 (ii) Nonrevenue income derived from services
9 provided by the Division of Medical Services;

10 (iii) Federal reimbursement received on account of
11 eligible expenditures for the administration of medical services programs;

12 (iv) Funds derived from fees collected pursuant to
13 the provisions of §§ 20-10-213 – 20-10-228 to be used for the maintenance and
14 operation of the long-term care facility licensure program of the Division of
15 Medical Services; and

16 (v) Any other nonfederal grant funds provided by
17 law.

18 (C) Other federal reimbursement funds received by the
19 Division of Medical Services shall be deposited into a separate federal
20 reimbursement fund on the books of the Treasurer of State;

21 (4) Youth Services Fund Account.

22 (A) The Youth Services Fund Account shall be used for the
23 maintenance, operation, and improvement required by the Division of Youth
24 Services in carrying out the powers, functions, and duties as set out in § 9-
25 28-201 et seq., including serious offender and community-based programs and
26 the youth service centers.

27 (B) The Youth Services Fund Account shall consist of:

28 (i) Those general revenues as may be provided by
29 law;

30 (ii) Nonrevenue income derived from services
31 provided by the various programs of the Division of Youth Services; and

32 (iii) Any other nonfederal grants-in-aid funds
33 provided by law.

34 (C) Other federal reimbursement received by the Division
35 of Youth Services shall be deposited into a separate federal reimbursement
36 fund on the books of the Treasurer of State, including those received on

1 account of eligible expenditures of the youth service centers' vocational
2 education programs;

3 (5) Children and Family Services Fund Account.

4 (A) The Children and Family Services Fund Account shall be
5 used for the maintenance, operation, and improvement required by the Division
6 of Children and Family Services in carrying out those functions, powers, and
7 duties as set out in § 25-10-101 et seq.

8 (B) The Children and Family Services Fund Account shall
9 consist of:

10 (i) Those general revenues as may be provided by
11 law;

12 (ii) Nonrevenue income derived from services
13 provided by the Division of Children and Family Services; and

14 (iii) Any other nonfederal grant-in-aid funds
15 provided by law;

16 (6) Department of Human Services Administration Fund Account.

17 (A) The Department of Human Services Administration Fund
18 Account shall be used for the maintenance, operation, and improvement
19 required by the office of the Secretary of the Department of Human Services
20 in carrying out the administrative duties and shared business services of the
21 Department of Human Services as set out in and under the restrictions and
22 provisions of § 20-46-301 and § 25-10-101 et seq.

23 (B) The Department of Human Services Administration Fund
24 Account shall consist of:

25 (i) Those general revenues as may be provided by
26 law;

27 (ii) Nonrevenue income derived from services
28 provided by these divisions of the Department of Human Services; and

29 (iii) Any other funds, including reimbursement for
30 costs incurred by these divisions from the various other Department of Human
31 Services' divisions from nongeneral revenue sources, as may be required and
32 provided by law;

33 (7) Aging and Adult Services Fund Account.

34 (A) The Aging and Adult Services Fund Account shall be
35 used for the maintenance, operation, and improvement required by the Division
36 of Aging, Adult, and Behavioral Health Services of the Department of Human

1 Services in carrying out the powers, functions, and duties as imposed by law,
2 and § 25-10-101 et seq., upon the Division of Aging, Adult, and Behavioral
3 Health Services of the Department of Human Services.

4 (B) The Aging and Adult Services Fund Account shall
5 consist of:

6 (i) Those general revenues as may be provided by
7 law;

8 (ii) Fifty percent (50%) of those special revenues
9 as specified in § 19-42-201(201), there to be used to assist the Meals on
10 Wheels America program, and any other special revenues as may be provided by
11 law;

12 (iii) Nonrevenue income derived from services
13 provided by the Division of Aging, Adult, and Behavioral Health Services of
14 the Department of Human Services;

15 (iv) Federal reimbursement received on account of
16 eligible expenditures of the Division of Aging, Adult, and Behavioral Health
17 Services of the Department of Human Services; and

18 (v) The first three million dollars (\$3,000,000)
19 each year of the net revenues derived from the additional cigarette tax
20 levied in § 26-57-802, to be used exclusively for transportation services
21 benefiting the elderly, including the Meals on Wheels America program;

22 (8) County Operations Fund Account.

23 (A) The County Operations Fund Account shall be used for
24 the maintenance, operation, and improvement required by the Division of
25 County Operations in carrying out the powers, functions, and duties as set
26 out in § 25-10-102.

27 (B) The County Operations Fund Account shall consist of:

28 (i) Those general revenues as may be provided by
29 law;

30 (ii) Nonrevenue income derived from services
31 provided by the various programs of the Division of County Operations;

32 (iii) Any other nonfederal grants-in-aid funds
33 provided by law;

34 (iv) Funds received from the Division of Elementary
35 and Secondary Education for surplus commodities; and

36 (v) Federal reimbursement received on account of

1 eligible expenditures of the Division of County Operations.

2 (C) Other federal reimbursement funds received by the
3 Division of County Operations shall be deposited into a separate federal
4 reimbursement fund on the books of the Treasurer of State;

5 (9) Department of Human Services Grants Fund Account.

6 (A) The Department of Human Services Grants Fund Account
7 shall be used for the following grant programs to consist of general revenues
8 and any other nonfederal funds, as may be appropriated by the General
9 Assembly:

- 10 (i) Children's Medical Services;
11 (ii) Supplemental Nutrition Assistance Employment
12 and Training Program;
13 (iii) Aid to the Aged, Blind, and Disabled;
14 (iv) Transitional Employment Assistance Program;
15 (v) Private nursing home care;
16 (vi) Infant Infirmary – nursing home care;
17 (vii) Public Nursing Home Care;
18 (viii) Prescription drugs;
19 (ix) Hospital and Medical Services;
20 (x) Child Health and Family Life Institute;
21 (xi) Community Services Block Grant Program;
22 (xii) ARKids First Program; and
23 (xiii) Child health management services.

24 (B) Federal reimbursement received by the Department of
25 Human Services shall be deposited into separate funds on the books of the
26 Treasurer of State;

27 (10) Long-Term Care Facility Receivership Fund Account.

28 (A) The Long-Term Care Facility Receivership Fund Account
29 shall be used for paying the expenses of receivers appointed under the
30 Arkansas Long-Term Care Facility Receivership Law, § 20-10-901 et seq., as
31 administered and disbursed under the direction of the Secretary of the
32 Department of Human Services.

33 (B) The Long-Term Care Facility Receivership Fund Account
34 shall consist of:

- 35 (i) Those general revenues and such other funds as
36 may be provided by law; and

1 (ii) The balance in the Long-Term Care Facility
2 Receivership Fund Account which remains at the end of a fiscal year; and

3 (11) Provider Services and Quality Assurance Fund Account.

4 (A) The Provider Services and Quality Assurance Fund
5 Account shall be used for the maintenance, operation, and improvement
6 required by the Division of Provider Services and Quality Assurance in
7 carrying out its powers, functions, and duties.

8 (B) The Provider Services and Quality Assurance Fund
9 Account shall consist of:

10 (i) Those general revenues as may be provided by
11 law;

12 (ii) Nonrevenue income derived from services
13 provided by the Division of Provider Services and Quality Assurance;

14 (iii) Federal reimbursement received on account of
15 eligible expenditures for the administration of medical services programs or
16 other programs; and

17 (iv) Any other nonfederal grant funds provided by
18 law.

19
20 19-22-107. Public Health Fund.

21 (a) The Public Health Fund shall be used for the maintenance,
22 operation, and improvement required by the regional health centers and the
23 various divisions of the Department of Health in carrying out the powers,
24 functions, and duties as set out in § 20-7-102 et seq. or other duties
25 imposed by law upon:

26 (1) The Department of Health;

27 (2) The Secretary of the Department of Health;

28 (3) The State Board of Health; and

29 (4) The Secretary of the State Board of Health, or the State
30 Health Officer, whose office was transferred under § 25-9-101 [repealed] to
31 the Department of Health.

32 (b) The Public Health Fund shall consist of:

33 (1) Those special revenues as set out in § 19-42-201(41), (65),
34 (68), (69), (80), (97), (131), (133), (136), (137), (140), (141), (142),
35 (143), (144), (147), (155), (166), (177), (194), (204), and that portion of §
36 19-42-201(58) of the Revenue Classification Law, § 19-40-101 et seq.;

- 1 (2) General revenues as may be provided by law;
- 2 (3) Nonrevenue income derived from services provided by the
3 various divisions of the Department of Health;
- 4 (4) Federal reimbursement received on account of eligible
5 expenditures by the various divisions of the Department of Health;
- 6 (5) Other funds as may be provided by law;
- 7 (6) Moneys transferred or deposited from the State
8 Administration of Justice Fund to support alcoholism treatment programs and
9 for use in the drug abuse prevention and treatment program of the Division of
10 Aging, Adult, and Behavioral Health Services of the Department of Human
11 Services;
- 12 (7) Amusement machine revenues over thirty thousand dollars
13 (\$30,000), as set out in § 26-57-407; and
- 14 (8) Criminal, civil, and administrative penalties collected
15 under the Arkansas Lead-Based Paint-Hazard Act of 2011, § 20-27-2501 et seq.
16
- 17 19-22-108. Water, Sewer, and Solid Waste Systems Revolving Fund.
- 18 (a) A special fund to be known as the "Water, Sewer, and Solid Waste
19 Systems Revolving Fund" is created to provide a depository for funds that may
20 be appropriated or otherwise secured for the purposes of matching or
21 supplementing federal grants and loans.
- 22 (b) The Water, Sewer, and Solid Waste Systems Revolving Fund shall be
23 used to provide low interest loans to cities, towns, counties, and other
24 eligible applicants.
- 25 (c) Funds from the repayment of loans made from the Water, Sewer, and
26 Solid Waste Systems Revolving Fund shall return to the Water, Sewer, and
27 Solid Waste Systems Revolving Fund and shall be reloaned in a manner that is
28 consistent with the purposes of this section.
29
- 30 19-22-109. Black River Technical College Fund and University of
31 Arkansas – Pulaski Technical College Fund.
- 32 (a)(1) The Black River Technical College Fund shall be used for the
33 maintenance, operation, and improvement of Black River Technical College.
- 34 (2) The Black River Technical College Fund shall consist of:
- 35 (A) Those general revenues as may be provided by law; and
36 (B) Any other funds made available for the support of

1 Black River Technical College that are required to be deposited into the
2 State Treasury by law.

3 (b)(1) The University of Arkansas – Pulaski Technical College Fund
4 shall be used for the maintenance, operation, and improvement of University
5 of Arkansas – Pulaski Technical College.

6 (2) The University of Arkansas – Pulaski Technical College Fund
7 shall consist of:

8 (A) Those general revenues as may be provided by law; and

9 (B) Any other funds made available for the support of the
10 University of Arkansas – Pulaski Technical College that are required to be
11 deposited into the State Treasury by law.

12

13 19-22-110. State Services for the Blind Fund.

14 (a) The State Services for the Blind Fund shall be used for the
15 maintenance, operation, and improvement required by the Division of State
16 Services for the Blind in carrying out the powers, functions, and duties as
17 set out in § 25-11-201 et seq. or other duties imposed by law upon the
18 division.

19 (b) The State Services for the Blind Fund shall consist of:

20 (1) Those general revenues provided by law;

21 (2) Nonrevenue income derived from services provided by programs
22 of the division; and

23 (3) Any other nonfederal grant funds provided by law.

24

25 CHAPTER 23

26 DISTRIBUTION OF GENERAL REVENUES

27

28 19-23-101. Allocations for Fiscal Year 2024-2025 and thereafter.

29 Commencing with the fiscal year beginning July 1, 2024, and each fiscal
30 year thereafter, the Treasurer of State shall transfer all remaining general
31 revenues available for distribution on the last day of business in July 2024,
32 and on the last day of business in each calendar month thereafter during the
33 fiscal year to the various funds and fund accounts participating in general
34 revenues in the proportions of the maximum allocation as the individual
35 allocation to the fund or fund account bears to the total of the maximum
36 allocation as provided in § 19-23-102.

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19-23-102. Maximum allocations of revenues for Fiscal Year 2024-2025 and thereafter.

ALLOCATION A. The Treasurer of State shall first make monthly allocations in the proportions set out in this section to the funds and fund accounts listed below until there has been transferred a total of six billion three hundred eleven million four hundred sixty thousand five hundred sixty-six dollars (\$6,311,460,566) or so much thereof as may become available; provided, that the Treasurer of State shall make such monthly allocations in accordance with each fund or fund account's proportionate part of the total of all such allocations set forth in this section:

Name of Fund or Fund Account	Maximum Allocation
PUBLIC SCHOOL FUND	
(1) Division of Elementary and Secondary Education Public School Fund Account	\$ 2,443,582,431
(2) State Library Public School Fund Account	\$ 5,641,919
(3) Division of Career and Technical Education Public School Fund Account	\$ 26,883,872
(4) Division of Career and Technical Education Public School Fund Account - Adult Education	\$ 8,489,176
EDUCATION FUND	
(1) Division of Elementary and Secondary Education Fund Account	\$ 18,282,199
(2) Division of Elementary and Secondary Education Fund Account - Succeed Scholarship	\$ -
(3) Educational Facilities Partnership Fund Account	\$ -
(4) Division of Public School Academic Facilities and Transportation Fund Account	\$ 2,857,204
(5) Educational Television Fund Account	\$ 5,825,736
(6) School for the Blind Fund Account	\$ 8,218,836
(7) School for the Deaf Fund Account	\$ 11,812,933
(8) State Library Fund Account	\$ 3,859,435
(9) Division of Career and Technical Education Fund Account	\$ -
(10) Rehabilitation Services Fund Account	\$ 11,942,101

1	(11) Child Care Grant Fund Account	\$ 7,056,193
2	(12) Child Care and Early Childhood Education Fund Account	\$ 2,589,553
3	Technical Institutes:	
4	(13) Northwest Technical Institute Fund Account	\$ 3,308,152
5		
6	DEPARTMENT OF HUMAN SERVICES FUND	
7	(1) Department of Human Services Administration Fund Account	\$
8	24,518,586	
9	(2) Children and Family Services Fund Account	\$ 139,333,393
10	(3) Youth Services Fund Account	\$ 48,980,104
11	(4) Developmental Disabilities Services Fund Account	\$ 65,603,057
12	(5) Medical Services Fund Account	\$ 2,442,596
13	(6) Department of Human Services Grants Fund Account	\$ 1,389,725,705
14	(7) Behavioral Health Services Fund Account	\$ 103,643,589
15	(8) Provider Services and Quality Assurance Fund Account	\$ 5,515,977
16	(9) County Operations Fund Account	\$ 57,419,886
17		
18		
19	STATE GENERAL GOVERNMENT FUND	
20	(1) Division of Arkansas Heritage Fund Account	\$ 7,755,838
21	(2) Department of Agriculture Fund Account	\$ 19,479,187
22	(3) Department of Labor and Licensing Fund Account	\$ 3,909,567
23	(4) Division of Higher Education Fund Account	\$ 11,989,758
24	(5) Higher Education Grants Fund Account	\$ 40,619,625
25	(6) Arkansas Economic Development Commission Fund Account	\$ 21,339,734
26	(7) Division of Correction Inmate Care and Custody Fund Account	\$
27	434,873,587	
28	(8) Division of Community Correction Fund Account	\$ 105,311,074
29	(9) Department of the Military Fund Account	\$ 10,109,327
30	(10) Parks and Tourism Fund Account	\$ 22,082,257
31	(11) Division of Environmental Quality Fund Account	\$ 4,202,841
32	(12) Miscellaneous Agencies Fund Account	\$ 78,026,413
33		
34	COUNTY AID FUND	\$ 21,428,616
35	COUNTY JAIL REIMBURSEMENT FUND	\$ 25,765,944
36	CRIME INFORMATION SYSTEM FUND	\$ 2,186,443

1	CHILD SUPPORT ENFORCEMENT FUND	\$ 13,288,801
2	PUBLIC HEALTH FUND	\$ 81,954,072
3	PERFORMANCE FUND	\$ -
4	MOTOR VEHICLE ACQUISITION REVOLVING FUND	\$ -
5	MUNICIPAL AID FUND	\$ 29,372,099
6	DIVISION OF ARKANSAS STATE POLICE FUND	\$ 92,596,808
7	DIVISION OF WORKFORCE SERVICES FUND-NEW HIRE REGISTRY	\$ 150,000
8	DIVISION OF WORKFORCE SERVICES FUND-ADULT EDUCATION	\$ 1,026,253
9	STATE SERVICES FOR THE BLIND FUND	\$ 1,972,456
10	SKILLS DEVELOPMENT FUND	\$ 3,608,348
11	ARKANSAS CHILDREN'S EDUCATIONAL FREEDOM ACCOUNT FUND	\$ 97,487,318
12	SUSTAINABLE BUILDING MAINTENANCE PROGRAM FOR STATE-SUPPORTED INSTITUTIONS OF	
13	HIGHER EDUCATION REVOLVING LOAN FUND	\$ 4,555,985
14		
15		
16	INSTITUTIONS OF HIGHER EDUCATION	
17	(1) ARKANSAS STATE UNIVERSITY FUND	\$ 62,150,956
18	(2) ARKANSAS TECH UNIVERSITY FUND	\$ 36,356,050
19	(3) HENDERSON STATE UNIVERSITY FUND	\$ 18,832,354
20	(4) SOUTHERN ARKANSAS UNIVERSITY FUND	\$ 16,861,877
21	(5) UNIVERSITY OF ARKANSAS FUND	\$ 134,584,010
22	(6) UNIVERSITY OF ARKANSAS FUND-UA SYSTEM	\$ 3,479,474
23	(7) UNIVERSITY OF ARKANSAS FUND-ARCHEOLOGICAL SURVEY	\$ 2,369,274
24	(8) UNIVERSITY OF ARKANSAS FUND-DIVISION OF AGRICULTURE	\$ 65,800,138
25	(9) UNIVERSITY OF ARKANSAS FUND-CLINTON SCHOOL	\$ 2,336,896
26	(10) UNIVERSITY OF ARKANSAS FUND-CRIMINAL JUSTICE INSTITUTE	\$ 2,458,634
27	(11) SCHOOL FOR MATH, SCIENCES, AND ARTS FUND	\$ 1,133,048
28	(12) UNIVERSITY OF ARKANSAS AT FORT SMITH FUND	\$ 21,045,824
29	(13) UNIVERSITY OF ARKANSAS AT LITTLE ROCK FUND	\$ 60,049,349
30	(14) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND	\$ 93,012,881
31	(15) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - CHILD ABUSE/RAPE/DOMESTIC	
32	VIOLENCE	\$ 350,000
33	(16) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - PEDIATRICS/PSYCHIATRIC	
34	RESEARCH	\$ 1,985,100
35	(17) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - INDIGENT CARE	\$
36	5,438,340	

1	(18) UNIVERSITY OF ARKANSAS AT MONTICELLO FUND	\$ 16,696,750
2	(19) UNIVERSITY OF ARKANSAS AT PINE BLUFF FUND	\$ 21,902,693
3	(20) UNIVERSITY OF ARKANSAS AT PINE BLUFF FUND - 1890 LAND GRANT STATE MATCH	
4		\$ 5,800,000
5	(21) UNIVERSITY OF CENTRAL ARKANSAS FUND	\$ 56,013,219
6	(22) ARKANSAS NORTHEASTERN COLLEGE FUND	\$ 8,765,839
7	(23) ARKANSAS STATE UNIVERSITY - BEEBE FUND	\$ 11,356,380
8	(24) ARKANSAS STATE UNIVERSITY - MOUNTAIN HOME FUND	\$ 3,695,854
9	(25) ARKANSAS STATE UNIVERSITY - NEWPORT FUND	\$ 6,559,812
10	(26) COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS FUND	\$
11	3,757,578	
12	(27) EAST ARKANSAS COMMUNITY COLLEGE FUND	\$ 8,749,489
13	(28) ARKANSAS STATE UNIVERSITY MID-SOUTH FUND	\$ 4,013,696
14	(29) ARKANSAS STATE UNIVERSITY MID-SOUTH FUND - ADTEC	\$ 1,527,000
15	(30) NATIONAL PARK COLLEGE FUND	\$ 9,040,569
16	(31) NORTH ARKANSAS COLLEGE FUND	\$ 7,605,726
17	(32) NORTHWEST ARKANSAS COMMUNITY COLLEGE FUND	\$ 11,649,679
18	(33) PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS FUND	\$
19	8,923,812	
20	(34) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN FUND	\$
21	3,546,964	
22	(35) SAU-TECH FUND	\$ 5,530,868
23	(36) SAU-TECH FUND-ENVIRONMENTAL TRAINING ACADEMY	\$ 375,036
24	(37) SAU-TECH FUND-FIRE TRAINING ACADEMY	\$ 1,780,943
25	(38) SOUTH ARKANSAS COLLEGE FUND	\$ 6,084,362
26	(39) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE FUND	\$
27	4,406,596	
28	(40) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA FUND	\$
29	4,647,636	
30	(41) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON FUND	\$ 5,089,458
31		
32	(42) BLACK RIVER TECHNICAL COLLEGE FUND	\$ 6,321,306
33	(43) ARKANSAS STATE UNIVERSITY THREE RIVERS FUND	\$ 3,381,360
34	(44) OZARKA COLLEGE FUND	\$ 3,248,284
35	(45) UNIVERSITY OF ARKANSAS - PULASKI TECHNICAL COLLEGE FUND	\$
36	14,765,510	

1 (46) SOUTHEAST ARKANSAS COLLEGE FUND \$ 5,354,958

2
3 19-23-103. Authority of Treasurer of State.

4 The Treasurer of State, in calculating the proportionate share of the
5 maximum allocation to determine the monthly distribution of net general
6 revenues available for distribution for each fund or fund account, as
7 authorized in this *chapter*, shall compute the calculation of five (5) digits
8 to the right of the decimal point, "rounded off". In the event the Treasurer
9 of State shall determine that there are errors in any of the totals of the
10 respective funds or fund accounts for which distributions are authorized in
11 this *chapter*, the maximum allocation authorized for each fund and fund
12 account within each subsection shall govern with respect to the allocation to
13 be made to those funds and fund accounts. The Treasurer of State is
14 authorized to correct errors in totals thereof, as reflected in this *chapter*,
15 prior to computing the calculations of the proportionate share of the maximum
16 allocations to be determined in making monthly distributions of net general
17 revenues available for distribution for each fund or fund account, as
18 authorized within the respective priorities set forth in this *chapter*.

19
20 19-23-104. Transfer of remaining revenues.

21 (a) After making the maximum annual allocation as provided for in §
22 19-23-102, the first two hundred million dollars (\$200,000,000) shall be
23 distributed as follows:

24 (1) Seventy-five percent (75%) of the remaining general revenues
25 available for distribution during each fiscal year shall be transferred on
26 the last day of business in each calendar month to the General Revenue
27 Allotment Reserve Fund, there to be used as stated under subsection (b) of
28 this section; and

29 (2) Twenty-five percent (25%) of the remaining general revenues
30 available for distribution during each fiscal year, but not to exceed fifty
31 million dollars (\$50,000,000) each fiscal year, shall be transferred on the
32 last day of business in each calendar month to the Arkansas Department of
33 Transportation Fund.

34 (b)(1) The Chief Fiscal Officer of the State shall determine whether
35 the balance of the Catastrophic Reserve Fund is twenty percent (20%) of the
36 total amount of general revenue funds last distributed under § 19-23-102.

1 (2) If the Chief Fiscal Officer of the State determines that the
2 balance of the Catastrophic Reserve Fund is less than twenty percent (20%) of
3 the total amount of general revenue funds last distributed under § 19-23-102,
4 then after the distributions under subsection (a) of this section, any
5 additional revenue, including the distributions under subdivision (a)(1) of
6 this section and any additional revenues in excess of those distributed under
7 subsection (a) of this section, shall be transferred to the Catastrophic
8 Reserve Fund to ensure that the Catastrophic Reserve Fund balance equals but
9 does not exceed twenty percent (20%) of the total amount of general revenue
10 funds last distributed under § 19-23-102.

11 (3) If it is determined that the balance of the Catastrophic
12 Reserve Fund exceeds twenty percent (20%) of the total amount of general
13 revenue funds last distributed under § 19-23-102, the amount in excess shall
14 remain in the Catastrophic Reserve Fund unless the General Assembly directs
15 otherwise.

16 (c) Any additional revenues available after the distributions in
17 subsection (b) of this section shall be transferred on the last day of
18 business in each calendar month to the General Revenue Allotment Reserve
19 Fund, there to be used for the respective purposes as provided by law.

20 21 CHAPTER 24

22 BUDGET STABILIZATION TRUST FUND

23
24 19-24-101. Budget Stabilization Trust Fund – Creation – Purpose.

25 (a)(1) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
27 known as the “Budget Stabilization Trust Fund”.

28 (2) The Budget Stabilization Trust Fund shall consist of funds
29 made available and transferred to it from the Securities Reserve Fund as set
30 out in § 19-26-203, the fund balance and other assets remaining in the State
31 Budget Revolving Fund on June 30, 1987, and any other funds made available by
32 law.

33 (b) The Budget Stabilization Trust Fund shall be used for the purpose
34 of:

35 (1)(A) Making temporary loans to those funds and fund accounts
36 as set out in § 19-23-101 et seq., to the Division of Correction Farm Fund

1 for farm production purposes, to the Division of Correction Prison Industry
2 Fund, to the Department of Parks, Heritage, and Tourism Fund Account, to the
3 Income Tax Refund Fund, to the Gasoline Tax Refund Fund, to the Interstate
4 Motor Fuel Tax Refund Fund, and to the various funds established in the
5 Revenue Classification Law, § 19-40-101 et seq., and any other funds or fund
6 accounts as may be specified elsewhere in this section. The loans made to the
7 funds and fund accounts set out in § 19-23-101 et seq. shall be repaid on or
8 before June 30 of the fiscal year in which the loan is made, except as
9 provided elsewhere in this section.

10 (B)(i) The loans made to the Division of Correction Farm
11 Fund are to be repaid on or before June 30 of the fiscal year following the
12 fiscal year in which the loan was made after the amount of the outstanding
13 loan made the previous fiscal year has been reduced by the value of farm-
14 produced products produced or processed on the farm that were consumed by
15 inmates and other authorized personnel, in amounts as determined and
16 certified by the Legislative Auditor to the Chief Fiscal Officer of the
17 State.

18 (ii) Processed beef purchased by the Division of
19 Correction must be labeled as being from the United States.

20 (iii)(a) The value of products produced or processed
21 on the farm that were consumed by inmates of the Division of Correction or
22 inmates in the custody of the Division of Community Correction and other
23 authorized personnel shall be based upon prices obtained by the Division of
24 Correction and the State Procurement Director for purchasing similar products
25 and quantities on the open market for other state agencies, institutions, and
26 universities.

27 (b) However, the Chief Fiscal Officer of the
28 State may grant an extension not to exceed sixty (60) days for repayment of
29 loans made to the Division of Correction Farm Fund upon receipt by the Chief
30 Fiscal Officer of the State of a certification by the Director of the
31 Division of Correction that farm-produced products are held in storage or are
32 on hand that exceed in market value the amount of loans that are due, and the
33 Chief Fiscal Officer of the State may grant an additional extension not to
34 exceed sixty (60) days for repayment of the loan made to the Division of
35 Correction Farm Fund, after obtaining the advice of the Legislative Council
36 in regard to a request from the Division of Correction for the additional

1 sixty-day extension for repayment of the loan.

2 (iv) Loans made to the Division of Correction Prison
3 Industry Fund for operation expenses shall be repaid on or before June 30 of
4 the fiscal year in which the loan was made, but loans made for the purchase
5 of equipment necessary for implementing the various industries shall be
6 repaid from time to time.

7 (C)(i) Except as otherwise provided in this subdivision
8 (b)(1)(C), loans made to the Income Tax Refund Fund, to the Gasoline Tax
9 Refund Fund, to the Interstate Motor Fuel Tax Refund Fund, and to those other
10 funds established in the Revenue Classification Law, § 19-40-101 et seq., are
11 to be repaid on the last day of the month of which the loan was made.

12 (ii) Loans made under subdivision (b)(1)(D) of this
13 section shall be repaid by June 30 of the fiscal year in which the loan was
14 made.

15 (iii)(a) Loans made to the Department of Human
16 Services Fund during June of any fiscal year for making cash assistance
17 payments to eligible individuals under the Temporary Assistance for Needy
18 Families Program for delivery on or about July 1 of the following fiscal year
19 shall be repaid on or before July 31 of the fiscal year following the fiscal
20 year in which the loan was made.

21 (b) Loans made to the Department of Human
22 Services for the Developmental Disabilities Services Fund Account and the
23 Behavioral Health Services Fund Account in the last month of a fiscal year
24 for federal reimbursement for Medicaid-eligible services and Medicare-
25 eligible services shall be repaid immediately upon receipt of reimbursement
26 but no later than July 31 of the fiscal year following the fiscal year in
27 which the loan was made.

28 (D)(i) The maximum amount of funds that may be loaned to
29 the funds established in the Revenue Classification Law, § 19-40-101 et seq.,
30 shall be one hundred fifty percent (150%) of the estimated revenues to be
31 deposited into the State Treasury during that month to the credit of the
32 State Apportionment Fund and which will become available to that operating
33 fund at the end of the month, excluding the Division of Correction Farm Fund,
34 the Division of Correction Prison Industry Fund, the Division of Arkansas
35 State Police Fund, and the State Forestry Fund.

36 (ii) Except with respect to the funds excluded under

1 this subdivision (b)(1)(D), loans in excess of one hundred percent (100%)
2 shall not be made more than four (4) times per fiscal year per fund.

3 (iii) Loans and distribution of general revenue
4 funds made to the County Aid Fund and the Municipal Aid Fund are to be made
5 on the basis and to the extent of the funds estimated to be available as
6 stated in § 19-23-102(a) so that an equal monthly distribution of general
7 revenues is made, based upon the Chief Fiscal Officer of the State's monthly
8 forecasts of general revenue distribution.

9 (E) Temporary loans may be made to the institutions of
10 higher education for operational purposes. In making these loans, the
11 following procedures shall be applicable. The institutions of higher
12 education shall submit requests for loans to both the Commissioner of the
13 Division of Higher Education and the Chief Fiscal Officer of the State
14 setting forth the need for the loan. The requests shall include at least the
15 following:

16 (i) The current total cash balance of all accounts
17 of the requesting institution's cash funds;

18 (ii) The reasons why the cash fund balances and
19 their general revenue fund balances are insufficient to meet current
20 obligations;

21 (iii) The anticipated duration of the loan; and

22 (iv) A proposed repayment schedule.

23 (F)(i)(a) The Chief Fiscal Officer of the State and the
24 Commissioner of the Division of Higher Education shall review the request for
25 the loan.

26 (b) The Commissioner of the Division of Higher
27 Education shall recommend, in writing, the approval or disapproval of the
28 loan and the reasons for the recommendation to the Chief Fiscal Officer of
29 the State.

30 (c)(1) The Chief Fiscal Officer of the State
31 shall review the institution's request, the funds available in the Budget
32 Stabilization Trust Fund, and the recommendation of the Commissioner of the
33 Division of Higher Education.

34 (2) The Chief Fiscal Officer of the
35 State may request such additional information as is deemed necessary to make
36 a determination as to whether the request should be approved.

1 (3) If the Chief Fiscal Officer of the
2 State determines that the request is proper and necessary for the operation
3 of the institution and that sufficient funds are available, the Chief Fiscal
4 Officer of the State shall approve the request and establish a repayment
5 schedule for the loan.

6 (4) If the Chief Fiscal Officer of the
7 State determines that the loan is not necessary or required, or that funds
8 are not available, the Chief Fiscal Officer of the State shall deny the
9 request.

10 (5) The Chief Fiscal Officer of the
11 State shall communicate in writing to the institution and to the Commissioner
12 of the Division of Higher Education the reasons for disapproval of the
13 requested loan.

14 (ii) All loans made to the institutions of higher
15 education under this section shall be repaid in full by June 30 of the fiscal
16 year in which the loan was made.

17 (iii) If an agency or program is established by the
18 General Assembly that is to be supported solely from other than general
19 revenues or federal funds, the Chief Fiscal Officer of the State may make a
20 temporary loan from the Budget Stabilization Trust Fund to the agency or
21 program to the extent necessary for carrying out the intent of the enabling
22 legislation.

23 (iv) The amount of the loan shall be determined by
24 the Chief Fiscal Officer of the State, and the loans shall be repaid in full
25 by June 30 of the fiscal year in which the loan was made;

26 (2) Making transfers to the University of Arkansas Fund on
27 account of interest on the University of Arkansas Endowment Fund of an amount
28 which, when added to the interest earned on the investment of the University
29 of Arkansas Endowment Fund, shall not exceed the sum of six thousand six
30 hundred thirty-three dollars and thirty-four cents (\$6,633.34) during any
31 fiscal year;

32 (3) Making transfers to the Department of the Military Fund
33 Account of the State General Government Fund as established in § 19-22-
34 102(2)(A)-(C) for the purpose of providing reimbursement or immediate funding
35 for expenses incurred by the Department of the Military on behalf of the
36 Arkansas National Guard emergency call-up appropriation;

1 (4) Making transfers to the Development and Enhancement Fund as
2 established in § 19-27-205 in order to provide supplemental funding for
3 appropriations supported from the Development and Enhancement Fund as may be
4 provided by law;

5 (5) Providing funding, either in whole or in part, for programs
6 as may be authorized by the General Assembly and which are specified as being
7 funded in whole or in part from the Budget Stabilization Trust Fund;

8 (6) Making transfers to the Arkansas Department of
9 Transportation Fund as may be authorized by law and making transfers not to
10 exceed one million dollars (\$1,000,000) in any one (1) fiscal year to provide
11 the state's proportionate share of each declared emergency or major disaster
12 as required by the federal Disaster Relief Act of 1974;

13 (7) Making transfers to the Miscellaneous Revolving Fund, as
14 established in § 19-27-209, to provide funding in whole or in part for
15 appropriations made payable from the Miscellaneous Revolving Fund;

16 (8) Making temporary advances to the various federal accounts of
17 state agencies upon certification of the pending availability of federal
18 funding by the director of the state agency making the request, subject to
19 the following:

20 (A) The requests shall be limited to those occasions
21 whereby the continued operations of the state agency programs would be
22 seriously impaired and unnecessary hardships would be created due to either
23 administrative oversight, delays by the United States Government in
24 forwarding the moneys, or by problems created by the federal fiscal year
25 conversion; and

26 (B)(i) Upon receipt of the grant award authorizations or
27 letter of credit documents, the state agency director shall certify to the
28 Chief Fiscal Officer of the State the amounts of temporary advances to be
29 recovered, whereby the Chief Fiscal Officer of the State shall make recovery
30 and notify the Treasurer of State and the Auditor of State of the recovery.

31 (ii) The temporary advances shall be recovered under
32 subdivision (b)(8)(B)(i) of this section on or before June 30 of the fiscal
33 year in which the temporary advances were made; and

34 (9) Those functions formerly performed by the State Budget
35 Revolving Fund.

36 (c)(1) In addition to the purposes for which the Budget Stabilization

1 Trust Fund may be used as set forth in this section, the Budget Stabilization
2 Trust Fund shall also be used to make temporary loans to the Constitutional
3 Officers Fund and the State Central Services Fund.

4 (2) Loans made to the Constitutional Officers Fund and the State
5 Central Services Fund under the provisions of this section shall be repaid on
6 or before June 30 of the fiscal year in which the loans are made.

7 (d)(1)(A) The Chief Fiscal Officer of the State may transfer up to a
8 maximum of four million dollars (\$4,000,000) from the Budget Stabilization
9 Trust Fund to the State Central Services Fund, only in those instances when
10 obligations incurred by the State Central Services Fund are estimated to
11 exceed or are actually exceeding estimated or actual available resources.

12 (B) The transfer shall also be utilized to provide a level
13 of funding, for those appropriations made payable from the State Central
14 Services Fund, equal to the previous year's expenditure or the current year
15 appropriation, whichever is less, in the event that income from all sources
16 does not provide that funding level.

17 (2) Any transfer made as authorized in this section shall
18 require the review and advice of the Legislative Council prior to the
19 transfer of those funds.

20

21 19-24-102. Loans from fund.

22 (a) The Chief Fiscal Officer of the State shall be guided by the
23 following limitations and procedures in making loans from the Budget
24 Stabilization Trust Fund for the respective purposes for which the loans may
25 be made, as established in this subsection:

26 (1) State agencies supported solely from special revenues are
27 not eligible to make applications for or receive loans from the Budget
28 Stabilization Trust Fund; and

29 (2)(A) Moneys deposited into the Budget Stabilization Trust Fund
30 shall not be used to make loans to any state agency without the state
31 agency's first submitting proof of the need for the moneys and submitting
32 justification therefor verifying that other funds or resources are not
33 available to the state agency or cannot be obtained by the state agency from
34 other funds belonging to or available to the state agency.

35 (B) A loan from the Budget Stabilization Trust Fund shall
36 not be made to a state-supported institution of higher education in an amount

1 equal to or exceeding eighty-five percent (85%) of its monthly guarantee of
2 general revenues estimated to be available for distribution to the state
3 agency during the month.

4 (b) An official or employee knowingly submitting false information to
5 the Chief Fiscal Officer of the State in support of any loan from the Budget
6 Stabilization Trust Fund, upon conviction thereof, is guilty of misfeasance
7 in office and shall be removed from the office or position of employment.

8 (c) The Division of Elementary and Secondary Education shall have no
9 authority to request loans from the Budget Stabilization Trust Fund to
10 provide moneys for distribution to public school districts in this state, nor
11 to write warrants payable from any funds borrowed from the Budget
12 Stabilization Trust Fund, for making monthly payments to school districts in
13 this state earlier than the fifth day before the end of the month.

14
15 19-24-103. Work release centers.

16 (a) The Community Correction Revolving Fund may borrow from the Budget
17 Stabilization Trust Fund for the establishment of new work release centers
18 for the Division of Correction.

19 (b) Loans under subsection (a) of this section shall be repaid by the
20 end of the fiscal year in which the loans are made.

21
22 19-24-104. Loans of anticipated proceeds of Aging and Adult Services
23 Fund Account.

24 In addition to those purposes for which the Budget Stabilization Trust
25 Fund may be used, the Department of Human Services may borrow from the Budget
26 Stabilization Trust Fund an amount equal to eighty percent (80%) of the
27 anticipated proceeds made available to the Aging and Adult Services Fund
28 Account from nursing home bed license fees. The borrowed amounts shall be
29 transferred to the Aging and Adult Services Fund Account in such amounts and
30 under such restrictions and conditions as are determined to be in the best
31 interest of the state by the Chief Fiscal Officer of the State and, in any
32 event, shall be repaid to the Budget Stabilization Trust Fund in full by June
33 30 of the year in which the funds were borrowed.

34
35 19-24-105. Financial aid programs.

36 (a) To provide timely payments under financial aid appropriations, the

1 Chief Fiscal Officer of the State may provide loans from the Budget
2 Stabilization Trust Fund to make available all funds attributable to the
3 financial aid programs under the then current official revenue estimates. If
4 an unanticipated state revenue shortfall occurs, any such loans remaining at
5 the end of a fiscal year shall be repaid from revenues distributed in the
6 first two (2) months of the next fiscal year.

7 (b) Funds for appropriations for purposes other than financial aid
8 shall not be affected by the application of this section.

9

10 CHAPTER 25 – MUNICIPAL AND COUNTY AID FUNDS

11

12 19-25-101. Municipal Aid Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
15 known as the “Municipal Aid Fund”.

16 (b) The Municipal Aid Fund shall consist of:

17 (1) Such general revenues as may be made available to the
18 Municipal Aid Fund by the Revenue Stabilization Law, § 19-20-101 et seq.;

19 (2) Such special revenues derived from highway user imposts,
20 known as highway revenues, as may be made available to the Municipal Aid Fund
21 for the benefit of municipalities by the Arkansas Highway Revenue
22 Distribution Law, § 27-70-201 et seq.; and

23 (3) Those special revenues as specified in § 19-42-201(135) of
24 the Revenue Classification Law, § 19-40-101 et seq.

25 (c)(1) All of the general revenues and the special revenues shall be
26 distributed within ten (10) days after the close of each calendar month to
27 the respective cities of the first, cities of the second class, and
28 incorporated towns on the basis of population according to the most recent
29 federal decennial or special census.

30 (2) The amount to be apportioned to each such city or
31 incorporated town is to be in the proportion that each population bears to
32 the total population of all such cities and incorporated towns.

33 (3) If an annexation occurs, the population of the annexed area,
34 as certified by the United States Bureau of the Census of the United States
35 Department of Commerce, may be added to the most recent federal decennial
36 census or special census of the annexing municipality.

1 (4)(A) The moneys received by the respective cities and
2 incorporated towns under this section shall be revenues of the year in which
3 received by them and shall not be revenues of the year in which such moneys
4 were collected and paid into the State Treasury.

5 (B) Of the moneys so received by the respective cities and
6 incorporated towns, the general revenues shall be used for general purposes
7 of municipal government, and the special revenues derived from highway
8 revenues shall be used as provided by the Arkansas Highway Revenue
9 Distribution Law, § 27-70-201 et seq.

10 (5)(A) If the Workers' Compensation Commission has paid claims
11 from the Miscellaneous Revolving Fund on account of any municipal employee
12 covered under workers' compensation, the amount shall be deducted from
13 general revenue turnback as provided by §§ 14-26-103 and 14-60-103.

14 (B) The moneys so deducted shall be transferred to the
15 Miscellaneous Revolving Fund, there to be used as provided by law.

16 (6) If a municipality incorporates during a year in which a
17 federal decennial census is conducted, then for purposes of this section and
18 until data from a federal decennial census or special census is made
19 available to the municipality, the population of the municipality shall be
20 based on the most recent federal decennial census as calculated by the
21 Arkansas Geographic Information Systems Office.

22 (d)(1) It is unlawful for the Treasurer of State to distribute any
23 general revenues and special revenues to any cities or incorporated towns in
24 this state that have expended funds belonging to the city or town for the
25 payment of annual membership dues to, or for the purchase of services
26 rendered by, the Arkansas Municipal League or any other league or association
27 of cities in this state unless the books, affairs, and records of such
28 Arkansas Municipal League or other league or association of cities and towns
29 of this state receiving moneys from cities or towns has been audited by
30 Arkansas Legislative Audit or consent for such an audit by Arkansas
31 Legislative Audit has been given by any such league or association.

32 (2) Arkansas Legislative Audit may audit the books, affairs, and
33 records of the Arkansas Municipal League or any other league or association
34 of cities or incorporated towns in this state, upon request thereof by the
35 appropriate officials of those leagues or associations.

36 (e) If the United States Bureau of the Census determines that the

1 population for a municipality is more than was originally certified in the
2 federal decennial census or the population for a municipality was incorrectly
3 assigned to another municipality and a census count correction or a
4 correction to the designated municipality is received from the United States
5 Bureau of the Census by the appropriate officials of the state, the Treasurer
6 of State shall:

7 (1) Determine the amount of general and special revenue that the
8 municipality should have received based upon the corrected census count; and

9 (2) Submit the amount of general and special revenue determined
10 under subdivision (e)(1) of this section to the Arkansas State Claims
11 Commission for inclusion in the appropriation bill requested from the General
12 Assembly for approved claims.

13
14 19-25-102. County Aid Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
17 known as the "County Aid Fund".

18 (b) The County Aid Fund shall consist of:

19 (1) The general revenues as may be provided by the Revenue
20 Stabilization Law, § 19-20-101 et seq., to the County Aid Fund;

21 (2) Such special revenues derived from highway user imposts,
22 known as highway revenues, as may be provided by the Arkansas Highway Revenue
23 Distribution Law, § 27-70-201 et seq.;

24 (3) Those special revenues as set out in § 19-42-201(74) and
25 (117) and thirty-four percent (34%) of those special revenues as specified in
26 § 19-42-201(20) of the Revenue Classification Law, § 19-40-101 et seq.; and

27 (4) Twenty-five percent (25%) of all severance taxes other than
28 those imposed upon saw timber and timber products as set out in § 19-42-
29 201(18) of the Revenue Classification Law, § 19-40-101 et seq.

30 (c) All of the general revenues and special revenues shall be
31 distributed within ten (10) days after the close of each calendar month to
32 the respective counties as follows:

33 (1)(A) The general revenues made available to the County Aid
34 Fund by the Revenue Stabilization Law, § 19-20-101 et seq., shall be
35 distributed with seventy-five percent (75%) divided equally among the
36 seventy-five (75) counties of this state and twenty-five percent (25%)

1 distributed on the basis of population according to the most recent federal
2 decennial census or special census, with each county to receive the
3 proportion that its population bears to the total population of the state.

4 (B) The moneys so received by the county treasurer shall
5 be credited to the county general fund to be used for general county
6 purposes, unless otherwise appropriated by the quorum court;

7 (2) The special revenues distributed to the respective counties
8 shall be distributed as may be authorized by law;

9 (3) All moneys received by the respective counties under this
10 section shall be revenues of the year in which received by them and shall not
11 be revenues of the year in which the moneys were collected and paid into the
12 State Treasury; and

13 (4)(A) If the Workers' Compensation Commission has paid claims
14 from the Miscellaneous Revolving Fund on account of any county employee
15 covered under workers' compensation, this amount shall be deducted from
16 county general revenue turnback funds as provided by §§ 14-26-103 and 14-60-
17 103.

18 (B) The moneys so deducted shall be transferred to the
19 Miscellaneous Revolving Fund, there to be used as provided by law.

20 (d)(1) It is unlawful for the Treasurer of State to distribute any
21 general revenues to any county in this state or any special revenues to any
22 county in this state that has expended funds belonging to the county for the
23 payments of annual membership dues to, or for the purchase of services
24 rendered by, the Association of Arkansas Counties or to any other league or
25 association of counties in this state unless the books, affairs, and records
26 of the Association of Arkansas Counties or other league or association of
27 counties in this state receiving moneys from the counties has been audited by
28 Arkansas Legislative Audit or consent for an audit by Arkansas Legislative
29 Audit has been given by the league or association.

30 (2) Arkansas Legislative Audit may audit the books of the
31 Association of Arkansas Counties or any other league or association of
32 counties in this state upon request of the Association of Arkansas Counties
33 or other league or association of counties by the appropriate official of the
34 league or association.

35 (e) Any appropriation provided by the General Assembly for aid to
36 counties may be supplemented, if necessary, by a transfer from an

1 appropriation provided for unanticipated special revenues.

2

3 19-25-103. Overpayments to funds.

4 (a) If moneys are distributed to the County Aid Fund and the Municipal
5 Aid Fund during any month that are in excess of one-twelfth (1/12) of the
6 amount estimated by the Chief Fiscal Officer of the State to become available
7 to the County Aid Fund and the Municipal Aid Fund during the then-current
8 fiscal year, as certified monthly by the Chief Fiscal Officer of the State to
9 the Treasurer of State, up to a maximum of that set out in § 19-23-102 for
10 the County Aid Fund and the Municipal Aid Fund, there shall be transferred
11 from the County Aid Fund and the Municipal Aid Fund to the Budget
12 Stabilization Trust Fund such amounts as are necessary to repay any loans
13 outstanding from the Budget Stabilization Trust Fund to the County Aid Fund
14 and the Municipal Aid Fund before any distribution of general revenue is made
15 to any county or municipality in this state.

16 (b) The amount remaining to be distributed after repaying the loans
17 under this section shall not be less than one-twelfth (1/12) of the amount
18 estimated by the Chief Fiscal Officer of the State to become available to the
19 County Aid Fund and the Municipal Aid Fund during the then-current fiscal
20 year or the amount as set out for the County Aid Fund and the Municipal Aid
21 Fund in § 19-23-102, whichever is the lesser.

22 (c)(1) The amount of moneys to be loaned to the County Aid Fund and
23 the Municipal Aid Fund in any month from the Budget Stabilization Trust Fund
24 shall be determined by the Chief Fiscal Officer of the State after taking
25 into consideration the amount distributed during the prior months in the
26 then-current fiscal year as well as the amounts estimated to be distributed
27 to the County Aid Fund and the Municipal Aid Fund in succeeding months of the
28 then-current fiscal year.

29 (2) It is the intent of the General Assembly to provide a
30 distribution to the counties and municipalities each month of such general
31 revenue as is available that, together with loans from the Budget
32 Stabilization Trust Fund, will provide as even a flow of moneys as is
33 possible throughout the fiscal year while at the same time maintaining the
34 Budget Stabilization Trust Fund in a strong financial position.

35 (d) All loans made to the County Aid Fund and the Municipal Aid Fund
36 from the Budget Stabilization Trust Fund shall be repaid by June 30 of the

1 fiscal year in which the loans were made.

2

3

CHAPTER 26

4

TRUST FUNDS

5

6 Subchapter 1. General Provisions [Reserved.]

7 Subchapter 2. Enumeration of Trust Funds

8 Subchapter 3. Enumeration of Trust Funds, Continued

9

10 Subchapter 1 – General Provisions [Reserved.]

11

12 Subchapter 2 – Enumeration of Trust Funds

13

14 19-26-201. Corporate Income Tax Withholding Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the “Corporate Income Tax Withholding Fund”.

18 (b) The Corporate Income Tax Withholding Fund shall consist of those
19 general revenues transferred to the Corporate Income Tax Withholding Fund
20 under § 19-21-101 et seq. and those funds received from the Budget
21 Stabilization Trust Fund as provided in § 19-24-101 et seq.

22 (c) The Corporate Income Tax Withholding Fund shall be used to make
23 income tax refunds to corporate taxpayers in such amounts as may be
24 determined by the Chief Fiscal Officer of the State or the courts and for
25 repaying temporary loans made during each month from the Budget Stabilization
26 Trust Fund, as may be required.

27

28 19-26-202. Individual Income Tax Withholding Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the “Individual Income Tax Withholding Fund”.

32 (b) The Individual Income Tax Withholding Fund shall consist of those
33 general revenues transferred to it under § 19-21-102(b)(2) and those funds
34 received from the Budget Stabilization Trust Fund as provided in § 19-24-101
35 et seq.

36 (c) The Individual Income Tax Withholding Fund shall be used to make

1 income tax refunds to individual taxpayers in such amounts as may be
2 determined by the Chief Fiscal Officer of the State or the courts and for
3 repaying temporary loans made during each month from the Budget Stabilization
4 Trust Fund, as may be required.

5
6 19-26-203. Securities Reserve Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
9 be known as the "Securities Reserve Fund".

10 (b) The Securities Reserve Fund shall consist of moneys derived from
11 savings effected in the retirement in advance of maturity of nonhighway
12 direct general obligation bonds of the state, of discounts received in the
13 purchase of securities, and of premiums and interest derived from the sale of
14 securities held in the Securities Account by the Treasurer of State as
15 custodian. The Securities Reserve Fund shall be used as follows:

16 (1) To pay premiums and the purchase and absorbing of discounts
17 in the sale of securities held in the Securities Account, not to exceed five
18 hundred thousand dollars (\$500,000) in any one (1) fiscal year;

19 (2) To guarantee bonds in an aggregate principal amount not to
20 exceed five million dollars (\$5,000,000) outstanding at any time, with no
21 bond bearing interest at a rate exceeding eight percent (8%) per annum, of
22 the Museum and Cultural Commission Fund authorized, and in the manner
23 prescribed in the Arkansas Museum and Cultural Center Act, § 13-5-301 et
24 seq., not to exceed five hundred thousand dollars (\$500,000) in any one (1)
25 fiscal year;

26 (3) To guarantee bonds of any other park or recreation facility
27 approved by the Governor and the Department of Parks, Heritage, and Tourism,
28 not to exceed five hundred thousand dollars (\$500,000) in the aggregate,
29 after seeking advice of the Legislative Council and the Legislative Joint
30 Auditing Committee;

31 (4) To guarantee industrial development bonds as authorized by
32 §§ 15-4-702 – 15-4-710;

33 (5) To absorb losses incurred in the investing of securities
34 held in the Securities Account in the State Treasury and in bank
35 depositories. The balance of the Securities Reserve Fund shall always be
36 available for this purpose;

1 (6) To guarantee loans to students to attend truck driving
2 school at the Arkansas Commercial Driver Training Institute at Arkansas State
3 University-Newport, in an aggregate principal amount not to exceed four
4 hundred thousand dollars (\$400,000) outstanding at any one (1) time;

5 (7) To distribute:

6 (A) Interest income earned on investment of balances of
7 the following:

8 (i) The Arkansas Department of Transportation Fund,
9 as authorized by § 27-70-204;

10 (ii) The Game Protection Fund, as authorized by §
11 15-41-110;

12 (iii) The funds deposited into the State Treasury by
13 state agencies, boards, and commissions that were previously held as cash
14 funds in a bank depository or investment depository, as authorized by § 19-3-
15 318(d); and

16 (iv) State and Local Fiscal Assistance Act of 1972,
17 31 U.S.C. § 6701 et seq., as authorized by § 19-3-321(c); and

18 (B) Interest income earned from investment of State
19 Treasury balances by any other laws enacted by the General Assembly;

20 (8) After the distributions enumerated in subdivision (b)(7) of
21 this section, for a one-time transfer by the Chief Fiscal Officer of the
22 State of one million five hundred thousand dollars (\$1,500,000) to the
23 Arkansas Highway Transfer Fund, to be transferred only in Fiscal Year 2017;

24 (9) After the distributions enumerated in subdivisions (b)(7)
25 and (8) of this section, for a transfer by the Chief Fiscal Officer of the
26 State of five million dollars (\$5,000,000) each fiscal year to the Budget
27 Stabilization Trust Fund;

28 (10) After the transfer to the Budget Stabilization Trust Fund
29 enumerated in subdivision (b)(9) of this section, for a transfer by the Chief
30 Fiscal Officer of the State of twenty million dollars (\$20,000,000) beginning
31 in Fiscal Year 2018 and each fiscal year thereafter to the Arkansas Highway
32 Transfer Fund;

33 (11) For a transfer by the Chief Fiscal Officer of the State on
34 the last business day of the fiscal year to the Budget Stabilization Trust
35 Fund to reimburse the Budget Stabilization Trust Fund for any current fiscal
36 year transfers that have been made to the following:

1 (A) The Division of Correction Farm Fund under § 19-24-
2 101(b)(1);

3 (B) The Department of the Military Fund Account under §
4 19-24-101(b)(3);

5 (C) The Disaster Assistance Fund under § 19-27-206;

6 (D) The Miscellaneous Revolving Fund under § 19-27-209;

7 (E) The State Central Services Fund under § 19-24-101(d);

8 and

9 (F) The State Board of Election Commissioners, as
10 authorized by law; and

11 (12) After all distributions and transfers under this section,
12 less one hundred thousand dollars (\$100,000) under § 19-3-321(a)(2), for a
13 transfer by the Chief Fiscal Officer of the State on the last business day of
14 the fiscal year of the fund balance to the Catastrophic Reserve Fund.

15 (c)(1) If any loss is sustained in relation to securities at any time
16 held in the Securities Account or in any bank depository and if the credit
17 balance in the Securities Reserve Fund is insufficient to absorb the loss,
18 the Chief Fiscal Officer of the State shall cause a transfer of moneys to be
19 made from the Budget Stabilization Trust Fund to the Securities Reserve Fund
20 in such amount as shall, when added to the credit balance in the Securities
21 Reserve Fund, equal the amount of the loss.

22 (2) It is the intent of the General Assembly that no loss shall
23 be sustained by any account the funds of which were used in making such
24 investments and deposits.

25

26 19-26-204. Ad Valorem Tax Fund.

27 (a)(1) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
29 be known as the "Ad Valorem Tax Fund".

30 (2) The Ad Valorem Tax Fund shall consist of those trust
31 revenues derived from the ad valorem taxes as authorized by §§ 26-26-1614 –
32 26-26-1616 and § 26-26-1701 et seq.

33 (3) The Ad Valorem Tax Fund shall be used to reimburse the State
34 Central Services Fund on account of expenditures made for local audits by
35 Arkansas Legislative Audit and to the appropriate fund or fund account from
36 which the Tax Division of the Arkansas Public Service Commission and the

1 Assessment Coordination Department derive their support, there to be used to
2 reimburse such fund or fund account for expenditures made by Arkansas
3 Legislative Audit, the Tax Division of the Arkansas Public Service
4 Commission, and the Assessment Coordination Department each fiscal year.

5 (b) All ad valorem tax moneys transferred to the appropriate fund or
6 fund account from which the department derives its support, as required by
7 subsection (a) of this section, remaining at the end of a fiscal year shall
8 remain in the fund or fund account and shall be carried forward and made
9 available to the department in the following fiscal year.

10 (c) In the event there are insufficient moneys available in the Ad
11 Valorem Tax Fund to fully reimburse the appropriate funds or fund accounts,
12 the Chief Fiscal Officer of the State shall transfer to each fund an amount
13 based upon the following:

14 (1) Eighty percent (80%) to the State Central Services Fund for
15 local audits by Arkansas Legislative Audit;

16 (2) Five percent (5%) to the appropriate fund or fund account
17 from which the Tax Division of the Arkansas Public Service Commission derives
18 its support; and

19 (3) Fifteen percent (15%) to the appropriate fund or fund
20 account from which the department derives its support.

21 (d)(1) Any moneys that may be available after reimbursing the various
22 funds or fund accounts as provided in this section shall be transferred
23 annually to the County Aid Fund by the Chief Fiscal Officer of the State.

24 (2) Thereafter the Treasurer of State shall transmit the moneys
25 to the respective county treasurers, as provided by §§ 26-26-1616, 26-26-
26 1701, and 26-26-1707.

27

28 19-26-205. Revolving Loan Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Revolving Loan Fund".

32 (b) The fund shall consist of the repayment of moneys loaned or
33 invested through the Revolving Loan Program of the Division of Elementary and
34 Secondary Education.

35 (c) The fund shall be used for the purpose of making loans to school
36 districts and for investment purposes.

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19-26-206. Revolving Loan Certificate Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Revolving Loan Certificate Fund".

(b) The fund shall consist of such income as may be provided by law, there to be used for purchasing revolving loan certificates of indebtedness by the various school districts and for such other purposes as may be authorized by law.

19-26-207. Department of Health Building Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Department of Health Building Fund".

(b) The fund shall consist of moneys received from the lessee or purchaser as provided by Acts 1968 (2nd Ex. Sess.), No. 14, approved June 5, 1968, which is appropriation legislation, or subsequent law and shall be used as may be provided by law.

19-26-208. Second Injury Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Second Injury Trust Fund".

(b) The fund shall consist of the revenues provided by §§ 11-9-101 – 11-9-105, 11-9-107 – 11-9-112, 11-9-401 – 11-9-403, 11-9-409, 11-9-501 – 11-9-529, 11-9-601 – 11-9-603, 11-9-701, 11-9-702, 11-9-704 – 11-9-716, and 11-9-801 – 11-9-811 and shall be used for the purposes as set out in those statutes.

19-26-209. Division of Workforce Services Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Division of Workforce Services Trust Fund".

(b) The fund shall consist of such revenues as may be authorized by the United States Government for support of various programs within the Division of Workforce Services, any interest accruing on these revenues, and

1 any other funds made available by the General Assembly.

2 (c) The fund shall be used for the payment of program expenses of the
3 division.

4

5 19-26-210. Gasoline Tax Refund Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
8 be known as the "Gasoline Tax Refund Fund".

9 (b) The fund shall consist of the special revenues mentioned in the
10 Revenue Classification Law, § 19-40-101 et seq., and as provided by law.

11 (c) The fund shall be used for making refunds of a portion of the tax
12 paid on gasoline by users as authorized by law.

13

14 19-26-211. Judges Retirement Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the "Judges Retirement Fund".

18 (b) The Judges Retirement Fund shall consist of trust funds as
19 provided by law and moneys transferred or deposited from the State
20 Administration of Justice Fund.

21 (c) The Judges Retirement Fund shall be disbursed or transferred as
22 provided by law for benefit of retirants and for investment purposes.

23

24 19-26-212. Teacher Retirement Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
27 be known as the "Teacher Retirement Fund".

28 (b) The fund shall consist of trust fund income as provided by law.

29 (c) The fund shall be used for:

30 (1) The operation, maintenance, and improvement of the Arkansas
31 Teacher Retirement System;

32 (2) Payment of retirement and disability benefits;

33 (3) Making refunds; and

34 (4) Investing surplus funds.

35

36 19-26-213. State Police Retirement Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
3 be known as the "State Police Retirement Fund".

4 (b) The State Police Retirement Fund shall consist of the trust funds
5 designated by law, moneys transferred or deposited from the State
6 Administration of Justice Fund and non-DWI driver's license reinstatement
7 fees as set out in § 27-16-808.

8 (c) The State Police Retirement Fund shall be used for payment of
9 personal services, operating expenses, investments, benefits, refunds, and
10 for such other purposes as may be authorized by law and in § 24-6-201 et seq.

11
12 19-26-214. Arkansas State Highway Employees' Retirement System Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
15 be known as the "Arkansas State Highway Employees' Retirement System Fund".

16 (b) The fund shall consist of trust funds as provided by law.

17 (c) The fund shall be used for:

18 (1) The payment of retirement and disability benefits to members
19 of the Arkansas State Highway Employees' Retirement System;

20 (2) Refunds to members of the system;

21 (3) Investment purposes; and

22 (4) Such other purposes as may be authorized by law.

23
24 19-26-215. Arkansas Public Employees' Retirement System Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
27 be known as the "Arkansas Public Employees' Retirement System Fund".

28 (b) The fund shall consist of trust funds as provided by law.

29 (c) The fund shall be used for the payment of personal services,
30 operating expenses, investments, benefits, refunds, and for such other
31 purposes as may be authorized by law.

32
33 19-26-216. Educational Buildings Maintenance Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
36 be known as the "Educational Buildings Maintenance Fund".

1 (b) The fund shall consist of rents and any other revenues that are
2 made available by law.

3 (c) The fund shall be used for the purposes of operating expenses,
4 maintenance, renovations, and repairs.

5
6 19-26-217. State Insurance Department Trust Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
9 known as the "State Insurance Department Trust Fund".

10 (b)(1) The fund shall consist of those special revenues specified in §
11 19-42-201(172), with the exception of § 19-42-201(172)(B), grants, refunds,
12 gifts, and any remaining funds of the Arkansas Earthquake Authority as
13 provided in § 23-102-119 and examination of insurers' payments as set out in
14 §§ 23-61-201 – 23-61-206.

15 (2) The fund shall be used:

16 (A) To defray the expenses of the State Insurance
17 Department in the discharge of its administrative and regulatory powers and
18 duties as prescribed by law and as set out in the State Insurance Department
19 Trust Fund Act, § 23-61-701 et seq.;

20 (B) To defray the administrative expenses and losses
21 incurred by the Arkansas Comprehensive Health Insurance Pool of the
22 Comprehensive Health Insurance Pool Act, § 23-79-501 et seq.; and

23 (C) To fund capital expenditures and training for fire
24 departments certified by the Division of Emergency Management.

25 (c) Annually by June 30, one million five hundred thousand dollars
26 (\$1,500,000) shall be transferred from the State Insurance Department Trust
27 Fund to the State Central Services Fund for the use of the Revenue Division
28 of the Department of Finance Administration for expenses related to the
29 online insurance verification system established under the Arkansas Online
30 Insurance Verification System Act, § 27-22-201 et seq., and other related
31 costs.

32
33 19-26-218. Red River Waterways Project Trust Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
36 be known as the "Red River Waterways Project Trust Fund".

1 (b) The Red River Waterways Project Trust Fund shall consist of those
2 moneys approved by the General Assembly from the Budget Stabilization Trust
3 Fund and the interest income earned from the investment of funds accruing to
4 the Red River Waterways Project Trust Fund.

5 (c) The Red River Waterways Project Trust Fund may be used for such
6 purposes as may be authorized by law.

7 (d)(1) Investment of the funds available shall be by the Treasurer of
8 State in such amounts and in such manner as may be directed by the Red River
9 Commission.

10 (2) The funds shall not be invested for longer than a continuous
11 two-year period.

12
13 19-26-219. Workers' Compensation Fund.

14 (a) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
16 be known as the "Workers' Compensation Fund".

17 (b) The fund shall consist of the revenues provided by §§ 11-9-101 –
18 11-9-105, 11-9-107 – 11-9-112, 11-9-401 – 11-9-403, 11-9-409, 11-9-501 – 11-
19 9-529, 11-9-601 – 11-9-603, 11-9-701, 11-9-702, 11-9-704 – 11-9-716, and 11-
20 9-801 – 11-9-811, and shall be used for the purposes as set out in §§ 11-9-
21 101 – 11-9-105, 11-9-107 – 11-9-112, 11-9-401 – 11-9-403, 11-9-409, 11-9-501
22 – 11-9-529, 11-9-601 – 11-9-603, 11-9-701, 11-9-702, 11-9-704 – 11-9-716, and
23 11-9-801 – 11-9-811.

24
25 19-26-220. Death and Permanent Total Disability Trust Fund.

26 (a) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
28 be known as the "Death and Permanent Total Disability Trust Fund".

29 (b) The fund shall consist of the revenues provided by §§ 11-9-101 –
30 11-9-105, 11-9-107 – 11-9-112, 11-9-401 – 11-9-403, 11-9-409, 11-9-501 – 11-
31 9-529, 11-9-601 – 11-9-603, 11-9-701, 11-9-702, 11-9-704 – 11-9-716, and 11-
32 9-801 – 11-9-811, and shall be used for the purposes as set out in §§ 11-9-
33 101 – 11-9-105, 11-9-107 – 11-9-112, 11-9-401 – 11-9-403, 11-9-409, 11-9-501
34 – 11-9-529, 11-9-601 – 11-9-603, 11-9-701, 11-9-702, 11-9-704 – 11-9-716, and
35 11-9-801 – 11-9-811.

36

1 19-26-221. State Forestry Trust Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "State Forestry Trust Fund".

5 (b) The fund shall consist of:

6 (1) Income derived from management of state forests by the
7 Arkansas Forestry Commission to the extent this income is not needed to fund
8 the general operations of the commission; and

9 (2) Income derived from management of state nurseries by the
10 commission to the extent this income is not needed to fund the general
11 operations of the commission.

12 (c) The fund shall be used for:

13 (1) The management and improvement of state forests;

14 (2) Acquisition of state forests;

15 (3) The purchase of fire fighting equipment and other forest
16 fire suppression activities;

17 (4) Improvements at commission's nurseries and the seedling
18 storage and distribution system; and

19 (5) Such other purposes as may be authorized by law.
20

21 19-26-222. State Insurance Department Criminal Investigation Division
22 Trust Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
25 be known as the "State Insurance Department Criminal Investigation Division
26 Trust Fund".

27 (b) The fund shall consist of those special revenues as specified in §
28 19-42-201(191), interest income, grants, refunds, gifts, or any other
29 resources.

30 (c) The fund shall be used to defray the expenses of the Criminal
31 Investigation Division of the State Insurance Department in the discharge of
32 its administrative and regulatory powers and duties as prescribed by law and
33 as set out in the State Insurance Department Criminal Investigation Division
34 Trust Fund Act, § 23-100-101 et seq.
35

36 19-26-223. Hazardous Substance Remedial Action Trust Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
3 known as the "Hazardous Substance Remedial Action Trust Fund".

4 (b) The Hazardous Substance Remedial Action Trust Fund shall consist
5 of all moneys appropriated by the General Assembly to the Hazardous Substance
6 Remedial Action Trust Fund, gifts, donations, interest earnings, fees on the
7 generation of hazardous waste, punitive damages, penalties, and any other
8 moneys legally designated, with the exception of those moneys deposited into
9 the Environmental Education Fund as set out in § 8-7-509(d), all moneys
10 received as penalties under §§ 8-4-101 – 8-4-106, 8-4-201 – 8-4-229, 8-4-301
11 – 8-4-313, and 8-6-201 – 8-6-212, §§ 8-6-214, 8-7-201 – 8-7-226, 8-7-504, and
12 20-27-1001 – 20-27-1007, and all punitive damages collected under § 8-7-517,
13 there to be administered by the Director of the Division of Environmental
14 Quality as provided in § 8-7-509.

15
16 19-26-224. Public Facilities Debt Service Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Public Facilities Debt Service Fund".

20 (b) The fund shall consist of those revenues as specified in the
21 Public Facilities Finance Act of 1983, § 22-3-1201 et seq., and shall be used
22 for the purposes as set out in the Public Facilities Finance Act of 1983, §
23 22-3-1201 et seq.

24
25 19-26-225. Vietnam Veterans Monument Fund.

26 (a) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
28 be known as the "Vietnam Veterans Monument Fund".

29 (b) The fund shall consist of gifts, grants, and donations from
30 individuals and organizations and other funds as may be provided by law.

31 (c) The fund shall be used exclusively for the purpose of erecting and
32 maintaining a suitable monument on the State Capitol grounds, in recognition
33 and appreciation of the State of Arkansas Vietnam veterans, as provided in §
34 22-3-215.

35
36 19-26-226. Local Sales and Use Tax Trust Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
3 be known as the "Local Sales and Use Tax Trust Fund".

4 (b) The fund shall be used for the refund of taxes as may be
5 authorized by law.

6
7 19-26-227. Employment Security Advance Interest Trust Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
10 be known as the "Employment Security Advance Interest Trust Fund".

11 (b) The Employment Security Advance Interest Trust Fund shall consist
12 of receipts from the advance interest tax and any penalties and interest, as
13 transferred from the Unemployment Compensation Fund Clearing Account, there
14 to be used for:

15 (1) Paying interest incurred by the state on advances from the
16 Federal Unemployment Trust Fund;

17 (2) Making refunds of advance interest taxes or interest and
18 penalty payments which were erroneously paid; and

19 (3) Returning moneys to the account that were incorrectly
20 identified and erroneously transferred.

21
22 19-26-228. State Library Revolving Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
25 be known as the "State Library Revolving Fund".

26 (b) The fund shall consist of moneys collected by the Arkansas State
27 Library from payments for lost books, use of copy machines, charges for
28 database searches, and other miscellaneous sources.

29 (c) The fund shall be used by the library to replace lost books, pay
30 copy machine costs, and for such other purposes as authorized by law.

31
32 19-26-229. Unemployment Compensation Revolving Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
35 be known as the "Unemployment Compensation Revolving Fund".

36 (b) The Unemployment Compensation Revolving Fund shall consist of

1 employer unemployment contributions made under § 11-16-206 and temporary
2 loans from the Budget Stabilization Trust Fund received under § 11-16-208.

3 (c) The funds shall be used to reimburse the Division of Workforce
4 Services, in a timely manner, for unemployment compensation benefits paid by
5 the division and charged to a state agency, as provided in § 11-16-201 et
6 seq., and other laws applicable to state employees' unemployment compensation
7 and for such other purposes as may be authorized by law.

8

9 19-26-230. Workers' Compensation Revolving Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
12 be known as the "Workers' Compensation Revolving Fund".

13 (b) The Workers' Compensation Revolving Fund shall consist of employer
14 workers' compensation benefits contributions made under § 11-17-305 and
15 temporary loans from the Budget Stabilization Trust Fund received under § 11-
16 17-307.

17 (c) The Workers' Compensation Revolving Fund shall be used to pay
18 workers' compensation benefits awarded to state employees by the Workers'
19 Compensation Commission and for such other purposes as may be authorized by
20 law.

21

22 19-26-231. Educational Excellence Trust Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
25 be known as the "Educational Excellence Trust Fund".

26 (b) The fund shall consist of those additional revenues enacted by the
27 Seventy-Eighth General Assembly meeting in regular session, the phrase "those
28 additional revenues" being limited to any increases enacted in those taxes
29 classified as general revenues in the Revenue Classification Law, § 19-40-101
30 et seq., there to be distributed to the various funds and fund accounts as
31 set out in § 6-5-301 et seq.

32

33 19-26-232. County Assessors' Continuing Education Trust Fund.

34 (a)(1)(A) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
36 be known as the "County Assessors' Continuing Education Trust Fund".

1 (B)(i) The quorum court of each county shall annually
2 appropriate and pay into the County Assessors' Continuing Education Trust
3 Fund in the State Treasury the sum of six hundred dollars (\$600) from fees of
4 the office of the county assessor.

5 (ii) If any quorum court fails or refuses to
6 appropriate and pay over the funds to the County Assessors' Continuing
7 Education Trust Fund in the State Treasury, the Treasurer of State shall
8 withhold funds from the county aid due to the county and shall credit the
9 funds to the County Assessors' Continuing Education Trust Fund.

10 (2) The County Assessors' Continuing Education Trust Fund shall
11 consist of all moneys required to be paid in annually as set out in this
12 section, all interest earned from the investment of fund balances, and any
13 remaining fund balances carried forward from year to year.

14 (b) The funds in the County Assessors' Continuing Education Trust Fund
15 shall be used exclusively for the establishment and operation of a continuing
16 education program for county assessors and for paying the meals, lodging,
17 registration fees, and mileage at the rate prescribed in state travel rules
18 of county assessors who attend the continuing education programs.

19
20 19-26-233. Court Awards Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
23 known as the "Court Awards Fund".

24 (b) The fund shall consist of state and federal asset forfeitures.

25 (c) The fund shall be used for expenditures of the Division of
26 Arkansas State Police for the respective purposes as provided by law.

27
28 19-26-234. County Collectors' Continuing Education Trust Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "County Collectors' Continuing Education Trust Fund".

32 (b) The County Collectors' Continuing Education Trust Fund shall
33 consist of fees, as annually appropriated by the quorum court of each county,
34 of the office of county collector and funds withheld from the County Aid Fund
35 for those counties that fail or refuse to provide the appropriated fees.

36 (c) The County Collectors' Continuing Education Trust Fund shall be

1 used exclusively for the establishment and operation of a continuing
2 education program for county collectors and sheriff-collectors as set out in
3 § 14-15-1001.

4
5 19-26-235. County Treasurers' Continuing Education Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
8 be known as the "County Treasurers' Continuing Education Fund".

9 (b) The County Treasurers' Continuing Education Fund shall consist of
10 fees from the office of county treasurer, as appropriated by the quorum court
11 of each county and any moneys transferred from the County Aid Fund.

12 (c) The County Treasurers' Continuing Education Fund shall be used
13 exclusively for the establishment and operation of a continuing education
14 program for county treasurers and payment of expenses for attending the
15 program, all as provided in § 14-15-811.

16
17 19-26-236. Manufactured Housing Recovery Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
20 be known as the "Manufactured Housing Recovery Fund".

21 (b) The fund shall consist of fees assessed under the Arkansas
22 Manufactured Home Recovery Act, § 20-29-101 et seq., by the Arkansas
23 Manufactured Home Commission.

24 (c) The fund shall be used for the purposes set out in §§ 20-29-104 –
25 20-29-108 and 20-29-110.

26
27 19-26-237. Children's Trust Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
30 be known as the "Children's Trust Fund".

31 (b) The fund shall consist of those special revenues as specified in §
32 19-42-201(189) and moneys received from the United States Government, other
33 governments, or persons or any other entities that do not obligate the State
34 of Arkansas.

35 (c) The fund shall be used by the Department of Human Services.
36

1 19-26-238. Crime Victims Reparations Revolving Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "Crime Victims Reparations Revolving Fund".

5 (b) The Crime Victims Reparations Revolving Fund shall consist of:

6 (1) Moneys transferred or deposited from the State
7 Administration of Justice Fund;

8 (2) Twenty-four percent (24%) of the fees collected under § 12-
9 12-1510(c); and

10 (3) All other moneys received by the Crime Victims Reparations
11 Board.

12 (c) The fund shall be used to compensate and assist victims of
13 criminal acts as set out in the Arkansas Crime Victims Reparations Act, § 16-
14 90-701 et seq.

15
16 19-26-239. Arkansas Natural and Cultural Resources Grants and Trust
17 Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
20 be known as the "Arkansas Natural and Cultural Resources Grants and Trust
21 Fund".

22 (b) The fund shall consist of eighty percent (80%) of those special
23 revenues as specified in § 19-42-201(145).

24 (c) The fund shall be used by the Arkansas Natural and Cultural
25 Resources Council for use in the acquisition, management, and stewardship of
26 state-owned lands and other purposes as set out in §§ 15-12-101 – 15-12-103.

27
28 19-26-240. Natural and Cultural Resources Historic Preservation Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Natural and Cultural Resources Historic Preservation Fund".

32 (b) The fund shall consist of ten percent (10%) of those special
33 revenues as specified in § 19-42-201(145).

34 (c) The fund shall be used by the Arkansas Natural and Cultural
35 Resources Council for providing a source of funds for the operation of the
36 Arkansas Historic Preservation Program and the Main Street Arkansas program

1 as set out in § 15-12-103.

2

3 19-26-241. Long-Term Care Trust Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
6 be known as the "Long-Term Care Trust Fund".

7 (b) The Long-Term Care Trust Fund shall consist of all moneys and
8 interest received from the imposition of civil penalties levied by the state
9 on long-term care facilities found to be out of compliance with the
10 requirements of federal law or regulations, or state law or rules, there to
11 be administered by the Secretary of the Department of Human Services solely
12 for the protection of the health or property of residents of long-term care
13 facilities, including without limitation the payment for the costs of
14 relocation of residents to other facilities, maintenance and operation of a
15 facility pending correction of deficiencies or closure, and reimbursement of
16 residents for personal funds lost.

17 (c) Funds from the Long-Term Care Trust Fund may also be administered
18 by the Secretary of the Department of Human Services for programs or uses
19 that, in the determination of the Director of the Office of Long-Term Care,
20 enhance the quality of life for long-term care facility residents through the
21 adoption of principles and building designs established by the Eden
22 Alternative, Inc., or Green House Project programs or other means.

23

24 19-26-242. Self-Insured Fidelity Bond Trust Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
27 be known as the "Self-Insured Fidelity Bond Trust Fund".

28 (b) The fund shall consist of bond premiums collected under § 21-2-701
29 et seq.

30 (c) The fund shall be administered and disbursed by the Governmental
31 Bonding Board for the use and benefit of participating governmental entities
32 for bond claims and board expenses.

33

34 19-26-243. Special Needs Trust Revolving Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to

1 be known as the "Special Needs Trust Revolving Fund".

2 (b) The fund shall consist of all moneys received from individuals who
3 establish or maintain eligibility for benefits under a medical assistance
4 program, but possess income or resources in excess of established federal
5 eligibility requirements, and moneys received from any other source and
6 interest income.

7 (c) The fund shall be used for implementing the provisions of § 20-77-
8 701 et seq.

9

10 19-26-244. Tourism Development Trust Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
13 be known as the "Tourism Development Trust Fund".

14 (b) The fund shall consist of those special revenues as specified in §
15 19-42-201(146) and fifty percent (50%) of those special revenues as specified
16 in § 19-42-201(262), there to be used by the Department of Commerce
17 exclusively for the promotion of wine tourism in Arkansas.

18

19 19-26-245. Identification Pending Trust Fund for Local Sales and Use
20 Taxes.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
23 be known as the "Identification Pending Trust Fund for Local Sales and Use
24 Taxes".

25 (b) The Identification Pending Trust Fund for Local Sales and Use
26 Taxes shall consist of:

27 (1) Money reported as local sales and use taxes collected in
28 local taxing jurisdictions that are not immediately identifiable;

29 (2) Money collected in local jurisdictions that have no tax;

30 (3) Vending device sales taxes as provided in § 26-57-
31 1002(d)(2); and

32 (4) That portion of vending devices decal fees and penalties as
33 provided in §§ 26-57-1206 and 26-57-1208(b)(2).

34 (c) Money deposited into the Identification Pending Trust Fund for
35 Local Sales and Use Taxes:

36 (1) Under subdivisions (b)(1) and (2) of this section shall be

1 used for transfers to the Local Sales and Use Tax Trust Fund when a local tax
2 jurisdiction is identified for money and for transfers to general revenues
3 when the total amount in the Identification Pending Trust Fund for Local
4 Sales and Use Taxes exceeds fifty thousand dollars (\$50,000) as provided in
5 §§ 26-74-221, 26-74-317, and 26-82-113; and

6 (2) Under subdivisions (b)(3) and (4) of this section shall be
7 distributed to cities and counties under §§ 26-74-221(a)(2)(C)(ii), 26-75-
8 223(a)(2)(C)(ii), and 26-82-113(a)(2)(A)(ii).

9

10 19-26-246. Insurance Continuing Education Trust Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
13 be known as the "Insurance Continuing Education Trust Fund".

14 (b) The fund shall consist of certification filing fees as provided in
15 § 23-64-306.

16 (c) The fund shall be used for administering continuing education
17 provisions for insurance agents, solicitors, consultants, and brokers as
18 provided in § 23-64-301 et seq.

19

20 19-26-247. Petroleum Storage Tank Trust Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
23 be known as the "Petroleum Storage Tank Trust Fund".

24 (b) The Petroleum Storage Tank Trust Fund shall consist of:

25 (1) The petroleum environmental assurance fees as provided in §
26 8-7-906;

27 (2) All other fees assessed under the Petroleum Storage Tank
28 Trust Fund Act, § 8-7-901 et seq.;

29 (3) Gifts, grants, and donations;

30 (4) Other funds made available by the General Assembly;

31 (5) The excess of a reserve of two (2) months' requirements of
32 debt service from fees in the Petroleum Storage Tank Trust Fund Revenue Bond
33 Debt Service Fund as provided in § 15-5-1206; and

34 (6) Any moneys recovered by the Division of Environmental
35 Quality that are attributable to collections of civil penalties under § 8-7-
36 806 or to costs under § 8-7-807 not owed the Regulated Substance Storage Tank

1 Program Fund.

2 (c) The Petroleum Storage Tank Trust Fund shall be administered by the
3 Director of the Division of Environmental Quality, who shall make
4 disbursements from the Petroleum Storage Tank Trust Fund as authorized by the
5 Petroleum Storage Tank Trust Fund Act, § 8-7-901 et seq.

6

7 19-26-248. Private Career School Student Protection Trust Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
10 be known as the "Private Career School Student Protection Trust Fund".

11 (b) The fund shall consist of a fee to be set by the Division of
12 Higher Education in consultation with the State Board of Private Career
13 Education as provided in § 6-51-607.

14 (c) The fund shall be used for paying claims and other expenses as
15 provided in § 6-51-607.

16

17 19-26-249. Solid Waste Management and Recycling Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
20 be known as the "Solid Waste Management and Recycling Fund".

21 (b) The fund shall consist of:

22 (1) Those special revenues specified in §§ 19-42-201(154) and
23 19-6-301(240)

24 (2) Reimbursement of funds pursuant to § 8-6-610;

25 (3) Federal funds that may become available;

26 (4) Interest earnings, gifts, and donations; and

27 (5) Any other funds made available by the General Assembly.

28 (c) The fund shall be administered by the Division of Environmental
29 Quality as set out in the Solid Waste Management and Recycling Fund Act, § 8-
30 6-601 et seq.

31

32 19-26-250. State Health Department Building and Local Grant Trust
33 Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
36 be known as the "State Health Department Building and Local Grant Trust

1 Fund”.

2 (b) Except as provided in § 20-7-203(b), the fund shall consist of:

3 (1) Moneys authorized by law to be used only for expansion,
4 renovation, construction, or improvements to the State Health Department
5 building and for grants for construction, renovation, or other expansion of
6 approved local health unit facilities in this state; and

7 (2) Moneys authorized under § 20-7-408(f).

8

9 19-26-251. Water Resources Development Bond Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
12 be known as the “Water Resources Development Bond Fund”.

13 (b) The fund shall consist of:

14 (1) Proceeds from the sale of bonds as issued by the Arkansas
15 Natural Resources Commission and revenues derived from projects financed
16 under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et
17 seq., in amounts or portions as set forth in the resolution or trust
18 indenture authorizing or securing the bonds;

19 (2) General revenues; and

20 (3) Any other funds made available by the General Assembly.

21 (c) The fund shall be used only to provide for payment of all or part
22 of debt service on bonds issued under the Arkansas Water Resources
23 Development Act of 1981, § 15-22-601 et seq., either at maturity or upon
24 redemption before maturity, as administered by the Treasurer of State.

25

26 19-26-252. Water Resources Development Debt Service Reserve Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
29 be known as the “Water Resources Development Debt Service Reserve Fund”.

30 (b) The fund shall consist of:

31 (1) Proceeds from the sale of bonds as issued by the Arkansas
32 Natural Resources Commission and revenues derived from projects financed
33 under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et
34 seq., in amounts or portions as set forth in the resolution or trust
35 indenture authorizing or securing the bonds;

36 (2) General revenues; and

1 (3) Any other funds made available by the General Assembly.

2 (c) The fund shall be used only to ensure prompt payment of debt
3 service on bonds issued under the Arkansas Water Resources Development Act of
4 1981, § 15-22-601 et seq., either at maturity or upon redemption before
5 maturity, as administered by the Treasurer of State.

6

7 19-26-253. Water Resources Development Operation and Maintenance Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
10 be known as the "Water Resources Development Operation and Maintenance Fund".

11 (b) The fund shall consist of proceeds from the sale of bonds as
12 issued by the Arkansas Natural Resources Commission and revenues derived from
13 projects financed under the Arkansas Water Resources Development Act of 1981,
14 § 15-22-601 et seq., in amounts or portions as set forth in the resolution or
15 trust indenture authorizing or securing the bonds.

16 (c) The fund shall be used for all or a part of the operation and
17 maintenance needs of projects financed under the Arkansas Water Resources
18 Development Act of 1981, § 15-22-601 et seq.

19

20 19-26-254. Water Resources Development Construction Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
23 be known as the "Water Resources Development Construction Fund".

24 (b) The fund shall consist of proceeds from the sale of bonds issued
25 by the Arkansas Natural Resources Commission.

26 (c) The fund shall be used, pursuant to appropriation by the General
27 Assembly, for projects developed under the Arkansas Water Resources
28 Development Act of 1981, § 15-22-601 et seq.

29

30 19-26-255. Waste Disposal and Pollution Abatement Facilities
31 Construction Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
34 be known as the "Waste Disposal and Pollution Abatement Facilities
35 Construction Fund".

36 (b) The fund shall consist of proceeds from the sale of bonds as

1 issued by the Arkansas Natural Resources Commission and revenues derived from
2 projects financed under the Arkansas Waste Disposal and Pollution Abatement
3 Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions
4 as set forth in the resolution or trust indenture authorizing or securing the
5 bonds.

6 (c) The fund shall be used for the development of projects and the
7 payment of the costs and expenses of the issuance of the bonds under the
8 Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of
9 1987, 15-22-701 et seq.

10

11 19-26-256. Waste Disposal and Pollution Abatement Facilities Bond
12 Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
15 be known as the "Waste Disposal and Pollution Abatement Facilities Bond
16 Fund".

17 (b) The fund shall consist of:

18 (1) Proceeds from the sale of bonds issued by the Arkansas
19 Natural Resources Commission and revenues derived from projects financed
20 under the Arkansas Waste Disposal and Pollution Abatement Facilities
21 Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set
22 forth in the resolution or trust indenture authorizing or securing the bonds;

23 (2) General revenues; and

24 (3) Any other funds made available by the General Assembly.

25 (c) The fund shall be used only to provide for payment of all or part
26 of debt service on bonds issued under the Arkansas Waste Disposal and
27 Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq.,
28 either at maturity or upon redemption before maturity, as administered by the
29 Treasurer of State.

30

31 19-26-257. Waste Disposal and Pollution Abatement Facilities Debt
32 Service Reserve Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
35 be known as the "Waste Disposal and Pollution Abatement Facilities Debt
36 Service Reserve Fund".

1 (b) The fund shall consist of:

2 (1) Proceeds from the sale of bonds as issued by the Arkansas
3 Natural Resources Commission and revenues derived from projects financed
4 under the Arkansas Waste Disposal and Pollution Abatement Facilities
5 Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set
6 forth in the resolution or trust indenture authorizing or securing the bonds;

7 (2) General revenues; and

8 (3) Any other funds made available by the General Assembly.

9 (c) The fund shall be used only to ensure prompt payment of debt
10 service on bonds issued under the Arkansas Waste Disposal and Pollution
11 Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., either at
12 maturity or upon redemption before maturity, as administered by the Treasurer
13 of State.

14

15 19-26-258. Waste Disposal and Pollution Abatement Facilities Operation
16 and Maintenance Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Waste Disposal and Pollution Abatement Facilities Operation
20 and Maintenance Fund".

21 (b) The fund shall consist of proceeds from the sale of bonds as
22 issued by the Arkansas Natural Resources Commission and revenues derived from
23 projects financed under the Arkansas Waste Disposal and Pollution Abatement
24 Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions
25 as set forth in the resolution or trust indenture authorizing or securing the
26 bonds.

27 (c) The fund shall be used for all or a part of the operation and
28 maintenance of the projects financed under the Arkansas Waste Disposal and
29 Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq.

30

31 19-26-259. Special State Assets Forfeiture Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
34 be known as the "Special State Assets Forfeiture Fund".

35 (b) The fund shall consist of revenues as provided in § 5-64-
36 505(i)(1)(B)(iv) and any other revenues as may be provided by law.

1 (c) The fund shall be administered through rules established by the
2 Arkansas Drug Director and distributed by the Arkansas Alcohol and Drug Abuse
3 Coordinating Council in accordance with the intent and purposes of the
4 Uniform Controlled Substances Act, § 5-64-101 et seq.

5
6 19-26-260. Public Facilities Construction Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
9 be known as the "Public Facilities Construction Fund".

10 (b) The fund shall consist of the remainder of the proceeds from the
11 sale of certificates of indebtedness as provided in § 22-3-1214.

12 (c) The fund shall be used only for the redemption of the 1977 bonds
13 and the 1979 bonds and for the construction of buildings authorized under the
14 Public Facilities Finance Act of 1983, § 22-3-1201 et seq.

15
16 19-26-261. Higher Education Projects Development Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Higher Education Projects Development Fund".

20 (b) The fund shall consist of proceeds from the sale of bonds as
21 issued by the Arkansas Development Finance Authority and revenues derived
22 from any project financed under the Arkansas College Savings Bond Act of
23 1989, § 6-62-701 et seq., in amounts or portions as set forth in the
24 resolution or trust indenture authorizing or securing the bonds.

25 (c) The fund shall be used to provide for the development of projects
26 at state institutions of higher education and the payment of project costs
27 and expenses of the issuance of bonds as set out in the Arkansas College
28 Savings Bond Act of 1989, § 6-62-701 et seq.

29
30 19-26-262. College Savings Bond Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
33 be known as the "College Savings Bond Fund".

34 (b) The fund shall consist of:

35 (1) Proceeds from the sale of bonds as issued by the Arkansas
36 Development Finance Authority and revenues derived from any project financed

1 under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., in
2 amounts or portions as set forth in the resolution or trust indenture
3 authorizing or securing the bonds;

4 (2) General revenues; and

5 (3) Any other funds made available by the General Assembly.

6 (c) The fund shall be used only to provide for payment of all or a
7 part of debt service on bonds issued under the Arkansas College Savings Bond
8 Act of 1989, § 6-62-701 et seq., either at maturity or upon redemption before
9 maturity, as administered by the Treasurer of State.

10
11 19-26-263. College Savings Debt Service Reserve 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 trust fund to
14 be known as the "College Savings Debt Service Reserve Fund".

15 (b) The fund shall consist of:

16 (1) Proceeds from the sale of bonds as issued by the Arkansas
17 Development Finance Authority and revenues derived from any project financed
18 under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., in
19 amounts or portions as set forth in the resolution or trust indenture
20 authorizing or securing the bonds;

21 (2) General revenues; and

22 (3) Any other funds made available by the General Assembly.

23 (c) The fund shall be used only to ensure prompt payment of debt
24 service on bonds issued under the Arkansas College Savings Bond Act of 1989,
25 § 6-62-701 et seq., either at maturity or upon redemption before maturity, as
26 administered by the Treasurer of State.

27
28 19-26-264. Inventors' Assistance Program Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Inventors' Assistance Program Fund".

32 (b) The Inventors' Assistance Program Fund shall consist of:

33 (1) All moneys received by the Center for Prototype Development
34 and Emerging Technologies to be developed and operated by the University of
35 Arkansas at Little Rock for implementation of the Inventors' Assistance Act,
36 § 15-4-1401 et seq.; and

1 (2) All fees received under the Inventors' Assistance Act, § 15-
2 4-1401 et seq.

3 (c) The Inventors' Assistance Program Fund shall be used for the
4 implementation of the Inventors' Assistance Act, § 15-4-1401 et seq.

5 (d) Any amount in the Inventors' Assistance Program Fund not directly
6 needed for implementation of the Inventors' Assistance Act, § 15-4-1401 et
7 seq., shall be transferred to the General Revenue Fund Account.

8
9 19-26-265. Landfill Post-Closure Trust Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
12 be known as the "Landfill Post-Closure Trust Fund".

13 (b) The fund shall consist of:

14 (1) Those special revenues as specified in § 19-42-201(167);

15 (2) Federal funds;

16 (3) Interest earned; and

17 (4) Any gifts or donations.

18 (c) The fund shall be used solely for the administration of and for
19 landfill post-closure corrective action as administered by the Division of
20 Environmental Quality as set out in § 8-6-1001 et seq., and shall not be
21 appropriated for any other purpose.

22
23 19-26-266. Arkansas Military War Veterans Monument Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
26 be known as the "Arkansas Military War Veterans Monument Fund".

27 (b) The fund shall consist of gifts, grants, and donations from
28 individuals and organizations.

29 (c) The fund shall be used exclusively for constructing and erecting a
30 military war veterans monument as provided in § 22-3-219.

31
32 19-26-267. Land Reclamation Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
35 be known as the "Land Reclamation Fund".

36 (b) The fund shall consist of:

- 1 (1) Open-cut mining civil penalties and bond forfeiture amounts;
2 (2) Quarry operation reclamation, operation, and safe closure
3 fees, fines, and bond forfeitures;
4 (3) Gifts, grants, and donations; and
5 (4) Any other funds made available by the General Assembly,
6 including all interest earned on moneys in the fund.

7 (c) The fund shall be used for:

8 (1) The reclamation of affected lands as administered by the
9 Division of Environmental Quality as provided in The Arkansas Open-Cut Land
10 Reclamation Act, § 15-57-301 et seq.; and

11 (2) Contract awards for affected lands as required by the
12 Arkansas Quarry Operation, Reclamation, and Safe Closure Act, § 15-57-401 et
13 seq.
14

15 19-26-268. Division of Workforce Services Special Fund.

16 (a) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
18 be known as the "Division of Workforce Services Special Fund".

19 (b)(1) The fund shall consist of unemployment compensation
20 contribution interest and penalty payments collected under §§ 11-10-716 – 11-
21 10-723 and interest and penalty payments on overpayments collected under §
22 11-10-532.

23 (2) The fund shall be used for refunds of interest and penalties
24 erroneously paid and other additional purposes as determined by the Director
25 of the Division of Workforce Services under §§ 11-10-532 and 11-10-716 – 11-
26 10-723 to be necessary to the proper administration of the following:

27 (A) The Division of Workforce Services Law, § 11-10-101 et
28 seq.;

29 (B) The Arkansas Workforce Innovation and Opportunity Act,
30 § 15-4-3701 et seq., or its successor;

31 (C) The Temporary Assistance for Needy Families Program, §
32 20-76-101 et seq., or its successor;

33 (D) The Arkansas Health and Opportunity for Me Act of
34 2021, § 23-61-1001 et seq., or its successor; and

35 (E) Any other programs transferred under the direction and
36 supervision of the Division of Workforce Services, by either executive order

1 or legislative enactment, or their successor programs.

2 (c)(1) The fund shall include a subaccount for penalties collected
3 under § 11-10-532(a)(3) that are in excess of fifteen percent (15%) of the
4 overpayment.

5 (2) The subaccount under subdivision (c)(1) of this section
6 shall be used exclusively for activities to protect the integrity of the
7 unemployment insurance program that are necessary to the proper
8 administration of the Division of Workforce Services Law, § 11-10-101 et
9 seq., as determined by the director.

10 (d) The director shall report to the Legislative Council on a
11 quarterly basis on all uses of the fund and the subaccount.

12

13 19-26-269. Arkansas Medicaid Program Trust Fund.

14 (a) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
16 be known as the "Arkansas Medicaid Program Trust Fund".

17 (b)(1) The fund shall consist of the following:

18 (A) All revenues derived from taxes levied on soft drinks
19 sold or offered for sale in Arkansas under the Arkansas Soft Drink Tax Act, §
20 26-57-901 et seq., there to be used exclusively for the state match of
21 federal funds participation under the Arkansas Medicaid Program;

22 (B) The additional ambulance annual fees stated in § 20-
23 13-212;

24 (C) The special revenues specified in §§ 19-42-201(156)
25 and 19-42-201(236);

26 (D) The amounts collected under §§ 26-57-604 and 26-57-605
27 above the forecasted level for insurance premium taxes set by the Chief
28 Fiscal Officer of the State under § 10-3-1404(a)(1)(A);

29 (E) The amount provided for in § 19-23-102(a)(3); and

30 (F) Payments from surety bonds issued regarding risk-based
31 provider organizations, as defined in § 20-77-2703.

32 (2) If the Arkansas Medicaid Program should be discontinued for
33 any reason, the revenues derived from the soft drink tax levied in the
34 Arkansas Soft Drink Tax Act, § 26-57-901 et seq., and the funds described in
35 subdivision (b)(1)(E) of this section shall be used exclusively to provide
36 services to Arkansas residents comparable to the services now provided under

1 the Arkansas Medicaid Program.

2

3 19-26-270. Arkansas State Parks Trust Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
6 be known as the "Arkansas State Parks Trust Fund".

7 (b) The fund shall consist of severance taxes collected from diamond
8 mining pursuant to § 26-58-107.

9 (c)(1) The fund shall be used by the State Parks, Recreation, and
10 Travel Commission as appropriations are available.

11 (2) The commission shall annually expend at least ninety percent
12 (90%) of the funds available for the purpose of development, preservation,
13 and protection of the infrastructure in the existing state parks of Arkansas.

14

15 19-26-271. Interstate Alternative Fuels Refund Fund.

16 (a) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
18 be known as the "Interstate Alternative Fuels Refund Fund".

19 (b) The fund shall consist of the amount, estimated quarterly, that is
20 transferred monthly from gross alternative fuel tax collections.

21 (c) The fund shall be used to pay refunds to licensed interstate users
22 and licensed IFTA carrier users of alternative fuels as provided by law and
23 as provided in § 26-62-210.

24

25 19-26-272. Soybean Board Escrow Account Trust Fund.

26 (a) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
28 be known as the "Soybean Board Escrow Account Trust Fund".

29 (b) The fund shall consist of those moneys required for the payment of
30 refunds in such amounts and for such time periods as is required by the
31 United States Secretary of Agriculture or as is authorized by § 2-20-401 et
32 seq., and determined by the Arkansas Soybean Promotion Board.

33 (c) The fund shall be used as provided in § 2-20-401 et seq.

34

35 19-26-273. Interstate Motor Fuel Tax Refund Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
2 be known as the "Interstate Motor Fuel Tax Refund Fund".

3 (b) The fund shall consist of the amount, estimated quarterly, that is
4 transferred monthly from gross motor fuel taxes and gross special motor fuel
5 tax collections.

6 (c) The fund shall be used to pay refunds to interstate users of motor
7 fuels and special motor fuels as provided in §§ 26-55-714 and 26-56-215.

8

9 19-26-274. Mining Reclamation Trust Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
12 be known as the "Mining Reclamation Trust Fund".

13 (b) The fund shall consist of all forfeitures collected under the
14 Arkansas Surface Coal Mining and Reclamation Act of 1979, § 15-58- 101 et
15 seq., and interest earned on the fund.

16 (c) The fund shall be used only to accomplish reclamation of land
17 covered by forfeitures of performance bonds for surface coal mining.

18

19 19-26-275. State Administration of Justice Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
22 be known as the "State Administration of Justice Fund".

23 (b)(1) The fund shall consist of court costs and filing fees under §§
24 9-15-202, 16-10-305, 16-17-705, 16-90-1419(b)(1), and 21-6-403, the special
25 revenues from real estate transfer taxes under § 19-42-201(117), district
26 court installment fees under § 16-13-704(b)(3)(E)(ii), and any interest
27 earned.

28 (2) The fund shall be used for:

29 (A) Trial court administrators as stated in § 16-13-3301
30 et seq.;

31 (B) Substitute trial court administrators as stated in §
32 16-10-801 et seq.; and

33 (C) The distribution of revenue as stated in § 16-10-310.

34

35 19-26-276. Arkansas Fire and Police Pension Guarantee Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
2 be known as the "Arkansas Fire and Police Pension Guarantee Fund".

3 (b) The fund shall consist of a portion of the taxes levied on
4 insurers or any other state funds designated for support of fire and police
5 retirement programs.

6 (c) The fund shall be used as provided in § 24-11-209 [repealed].

7
8 19-26-277. Uniform Tax Rate Trust Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
11 be known as the "Uniform Tax Rate Trust Fund".

12 (b) The fund shall consist of those moneys received from local
13 governments and transmitted to the State Treasury as required by Arkansas
14 Constitution, Amendment 74.

15 (c) The fund shall be used as provided by Arkansas Constitution,
16 Amendment 74.

17 (d) The Auditor of State shall issue warrants drawn from the fund as
18 requested by vouchers submitted by the Treasurer of State upon certification
19 by the Chief Fiscal Officer of the State that funds will be available when
20 the warrants are presented for payment.

21 (e)(1) The Treasurer of State may voucher a single warrant payable to
22 the Treasurer of State for the purpose of distributing funds to multiple
23 payees from the fund.

24 (2) Documentation shall accompany the voucher indicating the
25 payees, amount, and account numbers to which the distribution is to be made.

26
27 19-26-278. Abandoned Agricultural Pesticide and Plant Regulator
28 Disposal Trust Fund – Definitions.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Abandoned Agricultural Pesticide and Plant Regulator
32 Disposal Trust Fund".

33 (b) The Abandoned Agricultural Pesticide and Plant Regulator Disposal
34 Trust Fund shall consist of funds transferred to the Abandoned Agricultural
35 Pesticide and Plant Regulator Disposal Trust Fund from the Remedial Action
36 Trust Fund and other funds that are made available by law.

1 (c) The Abandoned Agricultural Pesticide and Plant Regulator Disposal
2 Trust Fund shall be used by the State Plant Board to defray the costs of
3 developing and implementing a plan for the disposal of abandoned agricultural
4 pesticides and plant regulators.

5 (d) The General Assembly intends to provide a method for disposal of
6 agricultural pesticides that have been abandoned due to a change of ownership
7 of the real property or a change in agricultural practices in a region of the
8 state.

9 (e) As used in this section:

10 (1) "Abandoned" means chemicals that are no longer used and for
11 which there is no planned use;

12 (2) "Agricultural pesticide" means any substance or mixture of
13 substances:

14 (A) Intended for:

15 (i) Preventing, destroying, repelling or mitigating
16 any pests; or

17 (ii) Use as a plant regulator, defoliant, or
18 desiccant; and

19 (B) Intended to be used as a spray adjuvant; and

20 (3)(A) "Plant regulator" means any substance or mixture of
21 substances intended through physiological action for accelerating or
22 retarding the rate of growth or rate of maturation or for otherwise altering
23 the behavior of plants or the produce thereof.

24 (B) "Plant regulator" does not include substances to the
25 extent that they are intended as plant nutrients, trace elements, nutritional
26 chemicals, plant inoculants, or soil amendments.

27
28 19-26-279. Individual Development Account Trust Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund for
31 the Division of Workforce Services to be known as the "Individual Development
32 Account Trust Fund".

33 (b) The fund shall consist of Transitional Employment Assistance
34 Program funds under § 20-76-401.

35 (c) The fund shall be used for the purposes set forth in § 20-86-101
36 et seq.

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19-26-280. Performance Partnership Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Performance Partnership Trust Fund".

(b) The Performance Partnership Trust Fund shall consist of funds transferred from the Landfill Post-Closure Trust Fund and such other funds as are made available by law.

(c) The Performance Partnership Trust Fund shall be used by the Division of Environmental Quality to defray the costs of developing and implementing a management organization utilizing the principles of the National Environmental Performance Partnership System, advocated by the United States Environmental Protection Agency, which integrates environmental indicators, management information, and performance-based budgeting and accounting to measure agency performance.

19-26-281. Property Tax Relief Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Property Tax Relief Trust Fund".

(b) The fund shall consist of such revenues as generated by §§ 26-52-302(c), 26-52-317(c)(1)(B), 26-52-319(a)(2)(B), 26-53-107(c), 26-53-145(c)(1)(B), 26-53-148(a)(2)(B), and 26-56-224(c)(2) and shall be used for such purposes as set out in § 26-26-310.

19-26-282. Arkansas Disaster Relief Program Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Disaster Relief Program Trust Fund".

(b) The fund shall consist of:

(1) State income tax checkoff funds certified each quarter in accordance with § 26-51-2502;

(2) Interest earnings;

(3) Gifts;

(4) Grants;

(5) Bequests;

- 1 (6) Devises;
- 2 (7) Donations; and
- 3 (8) Any other moneys made available by law.

4 (c) The fund shall be administered by the Department of Finance and
5 Administration and disbursed as appropriated for the Arkansas Disaster Relief
6 Program provided in § 26-51-2502 et seq.

7
8 19-26-283. Small Business Revolving Loan Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
11 be known as the "Small Business Revolving Loan Fund".

12 (b)(1) The Small Business Revolving Loan Fund shall consist of moneys
13 transferred from the Development and Enhancement Fund, interest earnings,
14 repayment of loans, and moneys recovered for loan losses under the loan
15 program created in the Small Business Revolving Loan Fund for Pollution
16 Control and Prevention Technologies Act, § 8-5-801 et seq., and any other
17 moneys made available by law or from any other source.

18 (2) The Small Business Revolving Loan Fund shall be administered
19 by the Division of Environmental Quality and used exclusively for those
20 purposes set out in the Small Business Revolving Loan Fund for Pollution
21 Control and Prevention Technologies Act, § 8-5-801 et seq.

22
23 19-26-284. State Insurance Department Prepaid Trust Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
26 be known as the "State Insurance Department Prepaid Trust Fund".

27 (b)(1) The State Insurance Department Prepaid Trust Fund shall consist
28 of:

- 29 (A) Investment income;
- 30 (B) Grants;
- 31 (C) Refunds;
- 32 (D) Gifts; and
- 33 (E) All license fees paid into the State Insurance
34 Department Prepaid Trust Fund pursuant to the Arkansas Prepaid Funeral
35 Benefits Law, § 23-40-101 et seq.

36 (2) The State Insurance Department Prepaid Trust Fund shall be

1 used for the operations and improvements of the Division of Prepaid Funeral
2 Benefits of the State Insurance Department, as administered by the Insurance
3 Commissioner and the Treasurer of State as set out in § 23-40-107.

4 (3) The State Insurance Department Prepaid Trust Fund shall also
5 consist of the assets of the Prepaid Funeral Contracts Recovery Program Fund,
6 there to be administered by the commissioner.

7
8 19-26-285. Natural Resources Damages Trust Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
11 be known as the "Natural Resources Damages Trust Fund".

12 (b) The fund shall consist of:

13 (1) Payments to the State of Arkansas for restoration,
14 rehabilitation, replacement, or acquisition of natural resources;

15 (2) Gifts;

16 (3) Donations;

17 (4) Federal funds;

18 (5) Interest income; and

19 (6) Any other funds that may be made available by the General
20 Assembly.

21 (c) The fund shall be used for natural resource restoration,
22 rehabilitation, replacement, or acquisition, as authorized by the Natural
23 Resources Damages Advisory Board, contingent upon any order of a court of
24 appropriate jurisdiction and conditions contained in gifts or donations, as
25 may be provided by law.

26
27 19-26-286. Water, Waste Disposal, and Pollution Abatement General
28 Obligation Bond Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Water, Waste Disposal, and Pollution Abatement General
32 Obligation Bond Fund".

33 (b) The fund shall consist of proceeds from the sale of bonds issued
34 by the Arkansas Natural Resources Commission and revenues derived from
35 projects financed under the Arkansas Water, Waste Disposal and Pollution
36 Abatement Facilities Financing Act of 1997 in amounts or portions as set

1 forth in the resolution or trust indenture authorizing or securing the bonds.

2 (c) The fund shall be used for the development of projects and the
3 payment of the costs and expenses of the issuance of the bonds.

4

5 19-26-287. Ouachita River Waterways Project Trust Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
8 be known as the "Ouachita River Waterways Project Trust Fund".

9 (b) The fund shall consist of:

10 (1) Those moneys approved by the General Assembly; and

11 (2) The interest income earned from the investment of moneys
12 accruing to the fund.

13 (c)(1) The fund may be used for such purposes authorized by law,
14 including without limitation wildlife and recreation purposes and bank
15 stabilization.

16 (2) The fund shall not be used for bend cuts or bend widenings.

17 (d)(1) Investment of the funds available shall be by the Treasurer of
18 State in such amounts and in such manner as may be directed by the Ouachita
19 River Commission.

20 (2) Funds shall not be invested for longer than a continuous
21 two-year period.

22

23 19-26-288. Environmental Settlement Trust Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State, a trust fund to
26 be known as the "Environmental Settlement Trust Fund".

27 (b) The fund shall consist of:

28 (1) Moneys received by the State of Arkansas pursuant to
29 settlement agreements for environmental or natural resources damages;

30 (2) Interest earnings; and

31 (3) Any other moneys designated to be deposited into the fund.

32 (c) The fund shall be administered by the Director of the Division of
33 Environmental Quality.

34

35 19-26-289. Geographic Information Systems Fund.

36 (a)(1) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
2 be known as the "Geographic Information Systems Fund".

3 (2) The fund shall consist of:

4 (A) Funds approved by the General Assembly;

5 (B) Grants, gifts, and donations received by the State of
6 Arkansas for the purposes of this section;

7 (C) Agency investments toward enterprise geographic
8 information systems projects;

9 (D) Federal funds; and

10 (E) Any other funds allowable by law.

11 (3) The fund shall be used to:

12 (A) Carry out the duties, responsibilities, and authority
13 of the Arkansas Geographic Information Systems Board as described by § 15-21-
14 504;

15 (B) Create, operate, and maintain GeoStor, the Arkansas
16 Spatial Data Infrastructure; and

17 (C) Create, update, maintain, and disseminate framework
18 spatial data as defined by § 15-21-502.

19 (b)(1)(A) The State Geographic Information Officer shall manage the
20 fund, and the Governor shall oversee the expenditures from the fund.

21 (B) The board shall establish standards and methodologies
22 for evaluating the funding of enterprise-level geographic information systems
23 projects.

24 (2)(A) The State Geographic Information Officer, with advice
25 from the board, shall evaluate, prioritize, and approve proposals for
26 geographic information systems projects.

27 (B) The proposals and requests for funding shall
28 demonstrate any or all of the following:

29 (i) Improvement in the quality of life for
30 Arkansans;

31 (ii) Elimination of redundant systems;

32 (iii) Improved service for Arkansas citizens;

33 (iv) Enhanced economic development opportunities in
34 Arkansas;

35 (v) Implementation of electronic government twenty-
36 four (24) hours a day, seven (7) days a week;

1 (vi) Substantial benefit to more than one (1) agency
2 through lower operating costs; and

3 (vii) Continued development of the Arkansas Spatial
4 Data Infrastructure.

5

6 19-26-290. Policemen's Pension Supplement Program Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
9 be known as the "Policemen's Pension Supplement Program Fund".

10 (b) The fund shall consist of that portion of those unallocated
11 premium taxes levied on insurers for the support of police retirement
12 programs as provided in § 24-11-211.

13 (c) The fund shall be used for providing financial assistance to
14 certain retired police officers and their survivors who are receiving
15 pensions from policemen's pension and relief funds as provided in § 24-11-
16 211.

17

18 19-26-291. Arkansas Construction Industry Craft Training Trust Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
21 be known as the "Arkansas Construction Industry Craft Training Trust Fund".

22 (b)(1) The fund shall consist of the net proceeds of the construction
23 permit surcharge as set out in § 6-55-106.

24 (2) The fund shall be used to support training programs set out
25 in The Arkansas Construction Industry Craft Training Act, § 6-55-101 et seq.,
26 administered by the Office of Skills Development and the Arkansas
27 Apprenticeship Coordination Steering Committee.

28

29 19-26-292. Arkansas Healthy Century Trust Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
32 be known as the "Arkansas Healthy Century Trust Fund".

33 (b) The fund shall consist of:

34 (1) An initial principal amount of \$100,000,000 of tobacco
35 settlement funds as provided in § 19-90-104; and

36 (2) Interest earnings.

1 (c) The fund shall be used for those programs provided in § 19-90-107
2 and administered by the State Board of Finance.

3
4 19-26-293. Tobacco Settlement Program Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
7 be known as the "Tobacco Settlement Program Fund".

8 (b) The Tobacco Settlement Program Fund shall consist of:

9 (1) Those moneys deposited from the Tobacco Settlement Cash
10 Holding Fund as provided in § 19-90-104; and

11 (2) Interest earnings.

12 (c) The Tobacco Settlement Program Fund shall be used for the transfer
13 of funds to the various funds and fund accounts as provided in § 19-90-108
14 and administered by the State Board of Finance.

15
16 19-26-294. Arkansas Tobacco Settlement Commission Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Arkansas Tobacco Settlement Commission Fund".

20 (b) The Arkansas Tobacco Settlement Commission Fund shall consist of:

21 (1) Investment earnings transferred from the Tobacco Settlement
22 Program Fund and each of the Tobacco Settlement Program Accounts as provided
23 in § 19-90-108; and

24 (2) Interest earnings.

25 (c) The Arkansas Tobacco Settlement Commission Fund shall be used as
26 provided in § 19-90-108 and administered by the State Board of Finance.

27
28 19-26-295. Prevention and Cessation Program Account.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Prevention and Cessation Program Account".

32 (b) The Prevention and Cessation Program Account shall consist of:

33 (1) Those moneys transferred from the Tobacco Settlement Program
34 Fund as provided in § 19-90-108; and

35 (2) Interest earnings.

36 (c) The Prevention and Cessation Program Account shall be used by the

1 Department of Health as provided in § 19-90-109.

2

3 19-26-296. Targeted State Needs Program Account.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
6 be known as the "Targeted State Needs Program Account".

7 (b) The Targeted State Needs Program Account shall consist of:

8 (1) Those moneys transferred from the Tobacco Settlement Program
9 Trust Fund as provided in § 19-90-108; and

10 (2) Interest earnings.

11 (c) The Targeted State Needs Program Account shall be used as provided
12 in § 19-90-110.

13

14 19-26-297. Arkansas Biosciences Institute Program Account.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the "Arkansas Biosciences Institute Program Account".

18 (b) The Arkansas Biosciences Institute Program Account shall consist
19 of:

20 (1) Those moneys transferred from the Tobacco Settlement Program
21 Fund as provided in § 19-90-108; and

22 (2) Interest earnings.

23 (c) The Arkansas Biosciences Institute Program Account shall be used
24 as provided in § 19-90-111.

25

26 19-26-298. Medicaid Expansion Program Account.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
29 be known as the "Medicaid Expansion Program Account".

30 (b) The Medicaid Expansion Program Account shall consist of:

31 (1) Those moneys transferred from the Tobacco Settlement Program
32 Trust Fund as provided in § 19-90-108; and

33 (2) Interest earnings.

34 (c) The Medicaid Expansion Program Account shall be used by the
35 Department of Human Services as provided in § 19-90-112.

36

1 19-26-299. Juvenile Accountability Incentive Block Grant Trust Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "Juvenile Accountability Incentive Block Grant Trust Fund".

5 (b) The fund shall consist of those federal funds received through a
6 grant award under the Juvenile Accountability Incentive Block Grant Program.

7 (c) The fund shall be used to provide funds to state and local units
8 of government to establish a coordinated enforcement plan for reducing
9 juvenile crime developed by a Juvenile Crime Enforcement Coalition, as
10 administered by the Division of Youth Services of the Department of Human
11 Services.

12
13 Subchapter 3 – Enumeration of Trust Funds, Continued

14
15 19-26-301. Baby Sharon's Children's Catastrophic Illness Grant Program
16 Trust Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Baby Sharon's Children's Catastrophic Illness Grant Program
20 Trust Fund".

21 (b)(1) All moneys collected under § 26-51-2504 shall be deposited into
22 the State Treasury to the credit of the fund.

23 (2) The fund shall also consist of any other revenues authorized
24 by law.

25 (c) The fund shall be used exclusively by the Baby Sharon's Children's
26 Catastrophic Illness Grant Program Committee for the Baby Sharon's Children's
27 Catastrophic Illness Grant Program.

28 (d) The Treasurer of State shall credit to the fund the amount
29 certified each quarter in accordance with § 26-51-2504.

30 (e)(1) The moneys credited to the fund shall be held as trust funds in
31 interest-bearing accounts only.

32 (2) All interest earned shall be credited to the fund and shall
33 be used only for the purposes of the fund.

34 (f) All moneys deposited into the fund, all interest earned on
35 deposits, and the fund balance in the fund may be disbursed as appropriated
36 in each fiscal year of the biennium for the program.

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19-26-302. Arkansas Capitol Grounds Monument and Memorial Preservation Fund – Definitions.

(a) As used in this section:

(1) “Memorial area” means the designated area of the State Capitol grounds for use in remembrance and honoring a person or group of persons; and

(2) “Monument” means a statue, display, or other artful fixture that is constructed to be attached to a memorial area.

(b)(1) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the “Arkansas Capitol Grounds Monument and Memorial Preservation Fund”.

(2) The Arkansas Capitol Grounds Monument and Memorial Preservation Fund shall consist of funds made available from:

(A) Private donations received by the Capitol Arts and Grounds Commission;

(B) Fees paid by sponsors of the monuments and memorial areas under subsection (c) of this section;

(C) Additional moneys appropriated to the Arkansas Capitol Grounds Monument and Memorial Preservation Fund by the General Assembly; and

(D) Accrued interest from the Arkansas Capitol Grounds Monument and Memorial Preservation Fund.

(3) The Arkansas Capitol Grounds Monument and Memorial Preservation Fund shall be used for the maintenance, repair, alteration, additions, reconstruction, or upkeep of any kind of any monument or memorial area on the State Capitol grounds.

(c)(1)(A) Except as provided under subdivision (c)(1)(B) of this section, following the enactment of an act authorizing the memorial area or monument and before construction begins, a group or organization that sponsors and pays the cost of the construction or replacement of a memorial area or monument on the State Capitol grounds shall pay to the Secretary of State a fee for placement of the monument or memorial area of:

(i) Ten percent (10%) of the cost of the monument;

and

(ii) Ten percent (10%) of the construction cost of

1 the memorial area.

2 (B) The Secretary of State may allow the beginning of
3 construction of a memorial area on State Capitol grounds if:

4 (i) A dedicated funding source has been established
5 for the purpose of payment of the fees under this subsection; and

6 (ii) The organization demonstrates that substantial
7 funds have been raised to complete the project.

8 (2) The amount of the fee may be reviewed by the commission as
9 to how the fee under this subsection was calculated by the Secretary of
10 State.

11 (d)(1) All moneys deposited into the Arkansas Capitol Grounds Monument
12 and Memorial Preservation Fund and any accrued interest shall remain in the
13 Arkansas Capitol Grounds Monument and Memorial Preservation Fund.

14 (2) The Secretary of State shall administer the Arkansas Capitol
15 Grounds Monument and Memorial Preservation Fund.

16 (e)(1) Except as provided in subdivision (e)(2) of this section, the
17 Arkansas Capitol Grounds Monument and Memorial Preservation Fund shall be
18 used for the maintenance, repair, alteration, additions, reconstruction, or
19 upkeep of any kind for any monument or memorial area on the State Capitol
20 grounds.

21 (2) Before the expenditure of any moneys from the Arkansas
22 Capitol Grounds Monument and Memorial Preservation Fund for the maintenance,
23 repair, alteration, addition, reconstruction, or upkeep of any kind for a
24 specific monument or memorial areas on State Capitol grounds, if there is a
25 fund dedicated to that specific monument or memorial, the Secretary of State
26 shall utilize the gifts, grants, and donations made to the following funds
27 for the maintenance, repair, alteration, addition, reconstruction, or upkeep
28 of that specific monument or memorial:

29 (A) Vietnam Veterans' Monument Fund;

30 (B) Arkansas Military War Veterans Monument Fund;

31 (C) Ten Commandments Monument Display Act under § 22-3-
32 221;

33 (D) Gold Star Family Memorial Monument Fund; and

34 (E) Arkansas Fallen Firefighters Memorial Board under §
35 22-3-1704.

36

1 19-26-303. Arkansas Public Transit Trust Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "Arkansas Public Transit Trust Fund".

5 (b) The fund shall consist of seventy-five percent (75%) of the net
6 revenues derived from the additional rental vehicle tax imposed by § 26-63-
7 302.

8 (c) The fund shall be used by the Arkansas Department of
9 Transportation for:

10 (1) The purpose of acquiring federal matching funds for the
11 purchase of public transportation vehicles;

12 (2) Public transit equipment or facilities; and

13 (3) The operation of the United States Department of
14 Transportation Federal Transit Administration assistance programs.

15
16 19-26-304. Military Family Relief Trust Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
19 be known as the "Military Family Relief Trust Fund".

20 (b)(1) All moneys collected under § 26-51-2506 shall be deposited into
21 the State Treasury to the credit of the fund.

22 (2) The fund shall also consist of any other revenues authorized
23 by law.

24 (c) The fund shall be used exclusively by the Adjutant General or his
25 or her designee to assist members and families of members of the Arkansas
26 National Guard and reserve components of the armed forces.

27 (d) The Treasurer of State shall credit to the fund the amount
28 certified each quarter in accordance with § 26-51-2506.

29 (e)(1) The moneys credited to the fund shall be held as trust funds in
30 interest-bearing accounts only.

31 (2) All interest earned shall be credited to the fund and shall
32 be used only for the purposes of the fund.

33 (f) All moneys deposited into the fund, all interest earned on
34 deposits, and the fund balance in the fund may be disbursed as appropriated
35 in each fiscal year of the biennium for the Military Family Relief Check-off
36 Program.

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19-26-305. Arkansas Multi-Agency Insurance Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Multi-Agency Insurance Trust Fund".

(b) The fund shall consist of all moneys received by the Administrator of the Risk Management Division of the State Insurance Department, including without limitation the premiums collected and any insured loss or loss expenses paid by insurance or reinsurance companies and interest income as provided in § 25-35-103.

(c) The fund shall be used as provided in § 25-35-103.

19-26-306. Organ Donor Awareness Education Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Organ Donor Awareness Education Trust Fund".

(b) The fund shall consist of:

(1) All moneys donated or collected for the purpose of educating or informing the public of the need for organ donations;

(2) All interest earned from the investment of fund balances;

(3) Any remaining fund balances carried forward from year to year; and

(4) Any gifts, grants, bequests, devises, and donations.

(c) The fund shall be used for educational or informational materials and other related costs associated with informing or educating the public about organ donations and organ donation awareness as set out in § 20-17-502.

19-26-307. Economic Development Superprojects Project Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Economic Development Superprojects Project Fund".

(b) The fund may consist of:

(1) The proceeds from the sale of bonds, together with all revenues derived by the Arkansas Development Finance Authority from any superproject financed or refinanced under § 15-4-3012; or

(2) Any other funds authorized by law.

1 (c) The fund may be used to:

2 (1) Provide for payment of all or a part of debt service on
3 bonds and to directly fund superprojects on a pay-as-you-go basis as provided
4 in § 15-4-3012; or

5 (2) Fund projects authorized under Arkansas Constitution,
6 Amendment 82.

7

8 19-26-308. Division of Workforce Services Training Trust Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
11 be known as the "Division of Workforce Services Training Trust Fund".

12 (b) The fund shall consist of:

13 (1) The proceeds of the administrative assessment specified in §
14 11-10-706(c)(3) and any interest accruing on these revenues; and

15 (2) Any other funds made available by the General Assembly.

16 (c) The fund shall be used for worker training under rules promulgated
17 by the Director of the Division of Workforce Services.

18 (d) The director shall report to the Legislative Council on a
19 quarterly basis on all uses of the fund.

20

21 19-26-309. Public School Insurance Trust Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
24 be known as the "Public School Insurance Trust Fund".

25 (b) The Public School Insurance Trust Fund shall consist of:

26 (1) A Permanent Insurance Reserve Fund, insurance premiums,
27 adjustments, earnings, interest income, and the like, as provided by the
28 Public Elementary and Secondary School Insurance Act, § 6-20-1501 et seq.,
29 and the School Motor Vehicle Insurance Act, § 6-21-701 et seq.;

30 (2) All funds transferred from the former Public Elementary and
31 Secondary School Insurance Fund established under §§ 6-20-1510 [repealed] and
32 former 19-5-908 [repealed]; and

33 (3) All funds transferred from the former School Vehicle
34 Insurance Reserve Trust Fund established under § 6-21-710.

35 (c)(1) The Public School Insurance Trust Fund shall be used for the
36 operation, maintenance, and execution of the Public Elementary and Secondary

1 School Insurance Program under the Public Elementary and Secondary School
2 Insurance Act, § 6-20-1501 et seq., and the Public School Motor Vehicle
3 Insurance Program under the School Motor Vehicle Insurance Act, § 6-21-701 et
4 seq.

5 (2) No money shall be appropriated from the Public School
6 Insurance Trust Fund for any purpose except for the use and benefit of the
7 Public Elementary and Secondary School Insurance Program and the Public
8 School Motor Vehicle Insurance Program.

9 (3) All funds received by the State Insurance Department in the
10 administration of the Public Elementary and Secondary School Insurance
11 Program and the Public School Motor Vehicle Insurance Program as premiums,
12 adjustments, earnings, and the like:

13 (A) Shall be used for the following purposes, listed in a
14 descending order of priority:

15 (i) To defray administrative costs;

16 (ii) To pay claims; and

17 (iii) To maintain the Public School Insurance Trust
18 Fund; and

19 (B) May be invested and reinvested as the Insurance
20 Commissioner may determine.

21 (4) Moneys invested and interest earned thereon shall be
22 administered as program funds.

23 (5) All moneys deposited into the Public School Insurance Trust
24 Fund shall not be subject to any deduction, tax, levy, or any other type of
25 assessment.

26 (d) The initial loan from the former Public Elementary and Secondary
27 School Insurance Fund as established by the Public Elementary and Secondary
28 School Insurance Act, § 6-20-1501 et seq., of one million five hundred
29 thousand dollars (\$1,500,000) to fund the former School Vehicle Insurance
30 Reserve Trust Fund established under the School Motor Vehicle Insurance Act,
31 § 6-21-701 et seq., is cancelled.

32

33 19-26-310. Arkansas Fair Housing Commission Trust Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
36 be known as the "Arkansas Fair Housing Commission Trust Fund".

1 (b) The fund shall consist of:

2 (1) Moneys received by the Arkansas Fair Housing Commission;

3 (2) Administrative or civil penalties levied and collected
4 pursuant to § 16-123-301 et seq.; and

5 (3) Any other moneys provided by the General Assembly.

6 (c) The fund shall be used for fair housing education of the public
7 and the operational expenses of the commission, as provided in § 16-123-301
8 et seq.

9

10 19-26-311. Animal Rescue and Shelter Trust Fund – Definition.

11 (a) As used in this section, “registered governmentally owned animal
12 rescue shelter” means an animal rescue or shelter owned by a county or
13 municipality that has submitted notice to the Department of Finance and
14 Administration as required under subsection (f) of this section and is on the
15 official list of registered governmentally owned animal rescue shelters
16 prepared by the Secretary of the Department of Finance and Administration
17 under subsection (f) of this section.

18 (b) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
20 be known as the “Animal Rescue and Shelter Trust Fund”.

21 (c) The fund shall consist of those special revenues as specified in §
22 27-24-1409(c)(1)(B) and any other revenues as may be authorized by law.

23 (d) The fund shall be distributed as follows:

24 (1) Thirty-five percent (35%) is distributed to and used by the
25 counties as follows:

26 (A) Each county that has at least one (1) registered
27 governmentally owned animal rescue shelter shall receive a proportional
28 distribution based on the county’s population as determined by the most
29 recent federal decennial census;

30 (B) Funding received by a county under this subdivision
31 (d)(1) shall be used exclusively for the construction, maintenance, or
32 operation of registered governmentally owned animal rescue shelters; and

33 (C) A county may contract with or provide grants to a
34 private nonprofit organization for the operation of the registered
35 governmentally owned animal rescue shelter;

36 (2) Thirty-five percent (35%) is distributed to and used by

1 municipalities as follows:

2 (A) Each municipality that has at least one (1) registered
3 governmentally owned animal rescue shelter shall receive a proportional
4 distribution based on the municipality's population as determined by the most
5 recent federal decennial census;

6 (B) Funding received by a municipality under this
7 subdivision (d)(2) shall be used exclusively for the construction,
8 maintenance, or operation of registered governmentally owned animal rescue
9 shelters; and

10 (C) A municipality may contract with or provide grants to
11 a private nonprofit organization for the operation of the registered
12 governmentally owned animal rescue shelter; and

13 (3)(A) Thirty percent (30%) is distributed to the Rural Services
14 Division of the Arkansas Economic Development Commission to provide grants to
15 a county or municipality based only on the infrastructure needs for animal
16 rescues or animal shelters.

17 (B) Moneys distributed under this section shall not be
18 limited to registered governmentally owned animal rescue shelters but shall
19 be used exclusively for infrastructure needs for animal rescues or animal
20 shelters.

21 (e) Any funds received by a county or municipality under subsection
22 (d) of this section that are not used within one (1) year from the date of
23 receipt by the county or municipality must be returned to the fund.

24 (f)(1)(A) On or before October 1, 2009, a county or municipality that
25 owns one (1) or more animal rescues or animal shelters on the date that
26 notification is mailed shall notify the secretary in writing to qualify for
27 funding under this section.

28 (B) The notification under subdivision (f)(1)(A) of this
29 section shall include the physical address and telephone number of each
30 animal rescue or animal shelter that the county or municipality owns.

31 (2)(A) On or before October 15, 2009, the secretary shall
32 provide the Treasurer of State with a list of each county and municipality
33 that has registered as owning an animal rescue shelter.

34 (B) The list submitted by the department shall be known as
35 the official list of registered governmentally owned animal rescue shelters
36 that are eligible to receive funding under subdivisions (d)(1) and (2) of

1 this section.

2 (C) The list submitted by the department shall include the
3 physical address, telephone number, and the municipality, if applicable, and
4 county in which the registered governmentally owned animal rescue shelter is
5 located.

6 (3)(A) A county or municipality that begins to own or operate an
7 animal rescue or animal shelter after October 1, 2009, may notify the
8 department in the same manner as provided under subdivision (f)(1) of this
9 section and shall begin to receive funds under subdivisions (d)(1) and (2) of
10 this section on the first distribution by the Treasurer of State following
11 sixty (60) days after written notice to the department was received.

12 (B) As soon as practicable to ensure that a county or
13 municipality that begins to own or operate a registered governmentally owned
14 animal rescue shelter after October 1, 2009, the department shall revise the
15 official list of registered governmentally owned animal rescue shelters to
16 include the addition of the most recent registered governmentally owned
17 animal rescue shelters and provide the list to the Treasurer of State.

18

19 19-26-312. Division of Environmental Quality Fee Trust Fund.

20 (a) This is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
22 be known as the "Division of Environmental Quality Fee Trust Fund".

23 (b) The fund shall consist of those special revenues as specified in §
24 19-42-201(104).

25 (c) The fund shall be used to defray the costs of operating the
26 Division of Environmental Quality as set out in §§ 8-1-101 – 8-1-107.

27

28 19-26-313. Lottery Trust Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
31 be known as the "Lottery Trust Fund".

32 (b) The Lottery Trust Fund shall consist of funds transferred from the
33 Budget Stabilization Trust Fund.

34 (c) The Lottery Trust Fund shall also consist of other moneys as may
35 be authorized by law.

36 (d) The Lottery Trust Fund shall be used for personal services and

1 operating expenses associated with the Office of the Arkansas Lottery.

2

3 19-26-314. Water Performance Bond Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
6 be known as the "Water Performance Bond Fund".

7 (b) The fund shall consist of the following:

8 (1) Funds appropriated by the General Assembly;

9 (2) All forfeitures collected under § 8-4-201 et seq.;

10 (3) Grants made by a person or the United States Government;

11 (4) Gifts and donations; and

12 (5) Interest earned on the moneys deposited into the fund.

13 (c) The fund shall be used by the Division of Environmental Quality to
14 hire a third-party contractor to:

15 (1) Take remedial action, including without limitation
16 corrective action, the closure of a nonmunicipal domestic sewage treatment
17 works, and any other action the Director of the Division of Environmental
18 Quality determines to be necessary; or

19 (2) Maintain and operate a nonmunicipal domestic sewage
20 treatment works.

21

22 19-26-315. Nonmunicipal Domestic Sewage Treatment Works Trust Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
25 be known as the "Nonmunicipal Domestic Sewage Treatment Works Trust Fund".

26 (b) The fund shall consist of:

27 (1) Funds appropriated by the General Assembly;

28 (2) Trust fund contribution fees under § 8-4-203(b);

29 (3) Grants made by any person, state agency, or federal
30 government agency;

31 (4) Gifts and donations; and

32 (5) Interest earned on the moneys deposited into the fund.

33 (c)(1) The fund shall be used by the Division of Environmental Quality
34 to ensure adequate operation, maintenance, and completed closure of a
35 nonmunicipal domestic sewage treatment works if the Director of the Division
36 of Environmental Quality determines that an owner or operator has not

1 adequately operated, maintained, or completed closure of the nonmunicipal
2 domestic sewage treatment works.

3 (2) If the director determines that an owner or operator has not
4 adequately operated, maintained, or completed closure of the nonmunicipal
5 domestic sewage treatment works, the division may use moneys in the fund to
6 hire a third-party contractor to:

7 (A) Take remedial action, including without limitation
8 corrective action;

9 (B) Initiate or complete the closure of a nonmunicipal
10 domestic sewage treatment works;

11 (C) Maintain and operate a nonmunicipal domestic sewage
12 treatment works; or

13 (D) Take any other action the director determines to be
14 necessary to carry out the purposes of this section and § 8-4-203(b).

15 (3) The fund may be used by the division to do the following:

16 (A) Provide reimbursement to a nonmunicipal domestic
17 sewage treatment works under § 8-4-203(b);

18 (B) Provide technical support to nonmunicipal domestic
19 sewage treatment works to promote adequate operation, maintenance, or
20 completed closure of a facility; and

21 (C) Pay reasonable costs and expenses of the division for
22 administering the fund.

23

24 19-26-316. Social Innovation Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
27 be known as the "Social Innovation Fund".

28 (b) The fund shall consist of:

29 (1) Any loans, investments, or other amounts received by the
30 Division of Community Correction under the Pay-for-Success Act, § 12-27-201
31 et seq.;

32 (2) Grants made by any person or federal government agency; and

33 (3) Any other funds authorized or provided by law.

34 (c) The fund shall be used by the division to make any payments
35 required under the Pay-for-Success Act, § 12-27-201 et seq.

36

1 19-26-317. Accountability Court Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "Accountability Court Fund".

5 (b) The fund shall consist of:

6 (1) Grants made by any person or federal government agency; and

7 (2) Any other funds authorized or provided by law.

8 (c) The fund shall be used by the Administrative Office of the Courts
9 for adult and juvenile specialty court programs as defined under § 16-10-139,
10 based upon a formula to be developed by the Arkansas Judicial Council, Inc.,
11 reviewed by the Specialty Court Program Advisory Committee, and approved by
12 the Legislative Council.

13

14 19-26-318. Arkansas Healthcare Transparency Initiative Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the "Arkansas Healthcare Transparency Initiative Fund".

18 (b)(1) The fund shall be an interest-bearing account and may be
19 invested in the manner permitted by law, with the interest income a proper
20 credit to the fund and which shall not revert to general revenue, unless
21 otherwise designated in law.

22 (2) The fund shall be overseen by the State Insurance Department
23 and shall be used to pay all proper costs incurred in implementing the
24 provisions of the Arkansas Healthcare Transparency Initiative Act of 2015, §
25 23-61-901 et seq.

26 (c) The following moneys shall be paid into the fund:

27 (1) Penalties imposed on submitting entities pursuant to the
28 Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq.,
29 and rules promulgated under the Arkansas Healthcare Transparency Initiative
30 Act of 2015, § 23-61-901 et seq.;

31 (2) Appropriations from the General Assembly; and

32 (3) All other subscription fees or payments made by third
33 parties to the department for data access.

34 (d) Activities of the Arkansas Healthcare Transparency Initiative
35 Board and the availability of data as authorized in § 23-61-905(c)(1) are
36 contingent upon available funding.

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19-26-319. Arkansas Health and Opportunity for Me Program Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the “Arkansas Health and Opportunity for Me Program Trust Fund”.

(b) The fund shall consist of:

(1) Moneys saved and accrued under the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq., including without limitation:

(A) Increases in premium tax collections; and

(B) Other spending reductions resulting from the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.; and

(2) Other revenues and funds authorized by law.

(c) The Department of Human Services shall use the fund to pay for future obligations under the Arkansas Health and Opportunity for Me Program created by the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.

19-26-320. Gold Star Family Memorial Monument Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the “Gold Star Family Memorial Monument Fund”.

(b) The fund shall consist of gifts, grants, and donations from individuals and organizations as provided under the Gold Star Family Memorial Monument Act, § 22-3-222, and other funds as may be provided by law.

(c) The fund shall be used exclusively for the purpose of erecting and maintaining a suitable monument on the State Capitol grounds in recognition and appreciation of Gold Star Families, as provided in the Gold Star Family Memorial Monument Act, § 22-3-222.

19-26-321. Used Tire Recycling Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the “Used Tire Recycling Fund”.

(b)(1) The Department of Finance and Administration shall deposit into the State Treasury ninety-three percent (93%) of the moneys collected under §

1 8-9-404 to the credit of the Used Tire Recycling Fund.

2 (2) The Used Tire Recycling Fund shall consist of:

3 (A) Penalties assessed and collected under the Used Tire
4 Recycling and Accountability Act, § 8-9-401 et seq.;

5 (B) Interest, earnings, and any other revenues as may be
6 authorized by law;

7 (C) Any United States Government moneys designated for
8 deposit into the Used Tire Recycling Fund;

9 (D) Any gift or donation to the Used Tire Recycling Fund;
10 and

11 (E) Those special revenues specified in § 8-9-404 and §
12 19-42-201(165).

13 (3) The Used Tire Recycling Fund shall not include:

14 (A) Five percent (5%) of the rim removal fee retained for
15 administrative costs by tire retailers under § 8-9-404(a)(5)(B) and
16 commercial generators under § 8-9-404(d)(5)(B);

17 (B) The percentage of net special revenue deducted and
18 deposited to the credit of the Special Revenue Fund Account under § 19-21-
19 103; or

20 (C) Seven percent (7%) deducted from the proceeds of fees
21 imposed under § 8-9-404 and deposited into the Division of Environmental
22 Quality Fee Trust Fund under § 8-9-404(b)(1)(B), § 8-9-404(c)(3)(A)(ii), and
23 § 8-9-404(d)(7)(B).

24 (c)(1) At least ninety percent (90%) of the moneys available in the
25 Used Tire Recycling Fund each fiscal year shall be used by the Division of
26 Environmental Quality to provide reimbursements to used tire programs, to
27 administer the Used Tire Recycling and Accountability Program, and to perform
28 other duties under the Used Tire Recycling and Accountability Act, § 8-9-401
29 et seq.

30 (2) The Director of the Division of Environmental Quality may
31 use not more than ten percent (10%) of the moneys available in the Used Tire
32 Recycling Fund each fiscal year:

33 (A) For waste tire site abatement aid;

34 (B) For the development, implementation, and maintenance
35 of the electronic uniform used tire manifest system; and

36 (C) To provide market and economic stimulus incentives.

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19-26-322. National Statuary Hall Collection Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "National Statuary Hall Collection Trust Fund".

(b) The fund shall consist of:

(1) Gifts, grants, and donations from individuals and organizations to fund Arkansas's contribution to the National Statuary Hall Collection in the United States Capitol; and

(2) Any other funds as may be provided by law, including appropriations made specifically to the fund.

(c) The fund shall be used exclusively for the purpose of placement and replacement of Arkansas statues in the National Statuary Hall Collection in the United States Capitol as provided under § 1-4-134.

19-26-323. Arkansas Major Historic Rehabilitation Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Major Historic Rehabilitation Trust Fund".

(b) The Arkansas Major Historic Rehabilitation Trust Fund shall consist of:

(1) Grants, donations, or transfers made by any person or government agency or office;

(2) Any remaining balances in the Arkansas Major Historic Rehabilitation Trust Fund carried forward from year to year; and

(3) Any other funds authorized or provided by law.

(c) The Arkansas Major Historic Rehabilitation Trust Fund shall be used to offset the costs of the income tax credits allowed under the Arkansas Major Historic Rehabilitation Income Tax Credit Act, § 26-51-2601 et seq., as follows:

(1) By June 30 of each year, the Secretary of the Department of Finance and Administration shall certify:

(A) To the Division of Arkansas Heritage the amount in the Arkansas Major Historic Rehabilitation Trust Fund, which shall serve as the maximum amount of Arkansas major historic rehabilitation income tax credits that the division may approve for the next fiscal year; and

1 (B) To the Treasurer of State the amount of Arkansas major
2 historic rehabilitation income tax credits claimed during the current fiscal
3 year; and

4 (2) On July 1 of each year, the Treasurer of State shall
5 transfer the amount certified under subdivision (c)(1)(B) of this section to
6 the General Revenue Fund Account to be distributed as authorized under § 19-
7 21-102(b)(2)(B)(vi).

8
9 19-26-324. University of Arkansas for Medical Sciences National Cancer
10 Institute Designation Trust Fund – Report.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
13 be known as the “University of Arkansas for Medical Sciences National Cancer
14 Institute Designation Trust Fund”.

15 (b) The fund shall consist of:

16 (1) Moneys obtained from private grants or other sources that
17 are designated to be credited to the fund; and

18 (2) Any other funds authorized or provided by law.

19 (c) The fund shall be used by the Winthrop P. Rockefeller Cancer
20 Institute at the University of Arkansas for Medical Sciences solely to
21 achieve and maintain status as a National Cancer Institute-Designated Cancer
22 Center.

23 (d) The Treasurer of State shall invest the moneys available in the
24 fund.

25 (e)(1) The investment of funds under this section is exempt from § 19-
26 3-318(a)(2)(B)(i)(b) and (c).

27 (2) Moneys in the fund may be invested in any instrument:

28 (A) Listed in § 19-3-318(b)(1)(B); and

29 (B) Approved by the guidelines established by the State
30 Treasury investment policy approved by the State Board of Finance.

31 (f) Moneys remaining in the fund at the end of each fiscal year shall
32 carry forward and be made available for the purposes stated in this section
33 in the next fiscal year.

34 (g)(1) The Winthrop P. Rockefeller Cancer Institute at the University
35 of Arkansas for Medical Sciences shall submit a semiannual report containing
36 the following information to the Governor; the Legislative Council or, if the

1 General Assembly is in session, the Joint Budget Committee; the Senate
2 Committee on Public Health, Welfare, and Labor; and the House Committee on
3 Public Health, Welfare, and Labor:

4 (A) The balance of the fund as of the reporting date;

5 (B) A list of the administrative costs paid for from the
6 fund, including without limitation salaries, pensions, and packages;

7 (C) The total revenue received by the fund during the
8 reporting period; and

9 (D) A detailed description of the steps taken and the
10 progress made toward achieving status as a National Cancer Institute-
11 Designated Cancer Center during the reporting period.

12 (2) The semiannual report required under this subsection shall
13 be submitted by January 1 and July 1 of each year.

14

15 19-26-325. Arkansas Public Safety Trust Fund.

16 (a) There is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
18 be known as the "Arkansas Public Safety Trust Fund".

19 (b)(1) The fund shall be an interest-bearing account and may be
20 invested in the manner permitted by law, with the interest income a proper
21 credit to the fund and which shall not revert to general revenue.

22 (2) The fund shall be overseen by the Division of Emergency
23 Management and shall be used to pay all authorized expenditures and proper
24 costs as described in subsections (d) and (e) of this section.

25 (c) The fund shall consist of:

26 (1) Public safety charges assessed and collected under § 12-10-
27 318(b) and § 12-10-326; and

28 (2) Any other moneys as authorized by law.

29 (d) On or before the fifteenth business day of December 2019 and on
30 the fifteenth business day of each month thereafter, up to fourteen thousand
31 dollars (\$14,000) of the moneys in the fund shall be distributed to the
32 division to provide administrative support for the fund.

33 (e) On or before the fifteenth business day of July 2020 and on the
34 fifteenth business day of each fiscal quarter thereafter, moneys in the fund
35 shall be distributed as follows:

36 (1) Up to sixty-two thousand five hundred dollars (\$62,500) to

1 the Arkansas Commission on Law Enforcement Standards and Training; and

2 (2) Up to two million dollars (\$2,000,000) to the division to
3 support upgrades and maintenance for the Arkansas Wireless Information
4 Network.

5 (f) Between December 2019 and June 2020, the fund shall withhold
6 moneys necessary to make the distributions under subsections (d) and (e) of
7 this section.

8 (g) Each month after the distributions under subsections (d)-(f) of
9 this section are satisfied, all remaining funds in the fund shall be
10 transferred to the Arkansas 911 Board.

11 (h) Subsections (d)-(g) of this section shall be applied for fiscal
12 year 2021 and each successive fiscal year.

13
14 19-26-326. Arkansas Firefighter Cancer Relief Network Trust Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the "Arkansas Firefighter Cancer Relief Network Trust Fund".

18 (b)(1) The State Insurance Department shall deposit into the State
19 Treasury one hundred percent (100%) of the moneys collected under § 21-5-110
20 to the credit of the fund.

21 (2) The fund shall consist of funds donated under § 21-5-110 and
22 any other moneys as may be provided by law.

23 (c) The fund shall be used for providing funds for relief for
24 firefighters who are diagnosed with cancer and participating in a firefighter
25 cancer relief network under § 21-5-110.

26
27 19-26-327. Rural Broadband I.D. Expenses Trust Fund – Creation –
28 Purpose – Definitions.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State, a trust fund to
31 be known as the "Rural Broadband I.D. Expenses Trust Fund".

32 (b) The Rural Broadband I.D. Expenses Trust Fund shall be used for
33 one-time grants for the defrayment of expenses for broadband due-diligence
34 business studies incurred by prospective federal broadband program
35 applicants, in anticipation of and before application for funding from:

36 (1) The Federal Communications Commission's Rural Digital

1 Opportunity Fund program;

2 (2) The United States Department of Agriculture's Rural
3 eConnectivity Pilot Program, otherwise known as the "ReConnect Program";

4 (3) The United States Department of Agriculture's "Farm Bill";
5 or

6 (4) Other federal grants or loans for broadband development
7 programs.

8 (c) The Rural Broadband I.D. Expenses Trust Fund shall consist of
9 funds authorized or provided by law.

10 (d) Broadband due-diligence business studies shall be conducted and
11 concluded within one hundred eighty (180) days of the receipt of the Rural
12 Broadband I.D. Expenses Trust Fund grant.

13 (e) Upon receipt of a Rural Broadband I.D. Expenses Trust Fund grant,
14 the local entity shall file a surety bond for the benefit of the State of
15 Arkansas with the Treasurer of State in the amount of the Rural Broadband
16 I.D. Expenses Trust Fund grant for assurance that the Rural Broadband I.D.
17 Expenses Trust Fund grant is utilized for broadband due-diligence business
18 studies.

19 (f) As used in this section:

20 (1)(A) "Broadband due-diligence business studies" means
21 analytical research designed to acquire the data necessary to support
22 applications for federal grants or loans for broadband development programs.

23 (B) "Broadband due-diligence business studies" includes
24 without limitation:

25 (i) Full feasibility determinations, including
26 economic business plans;

27 (ii) Twenty-year financial break-even analysis;

28 (iii) Competitive broadband analysis;

29 (iv) Demographic analysis, with comparison to other
30 projects;

31 (v) The ordering of construction plans to maximize
32 return; and

33 (vi) Analysis of federal funding opportunities; and

34 (2) "Local entity" means a county, including without
35 limitation an unincorporated community within a county, a city of the first
36 class, a city of the second class, and an incorporated town.

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19-26-328. Law Enforcement Family Relief Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Law Enforcement Family Relief Trust Fund".

(b) The fund shall consist of:

(1) All moneys generated from the Law Enforcement Family Relief Check-off Program under § 26-51-2511;

(2) Any gifts, grants, bequests, devises, and donations received under the program under § 26-51-2511; and

(3) Any other revenues as may be authorized by law.

(c) The fund shall be used exclusively by the Secretary of the Department of Public Safety as stated in § 26-51-2511.

(d) All moneys deposited into the fund, all interest earned on deposits, and the fund balance in the fund may be disbursed as appropriated in each fiscal year of the biennium for the program.

19-26-329. Arkansas Cultural Institutions Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Cultural Institutions Trust Fund".

(b) The fund shall consist of:

(1) Grants, donations, or transfers made by any person or government agency or office;

(2) Any remaining balances in the fund carried forward from year to year; and

(3) Any other funds authorized or provided by law.

(c) The fund shall be used for the purposes set out in § 13-8-305.

19-26-330. Arkansas Supplemental Digital Product and Motion Picture Industry Development Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Supplemental Digital Product and Motion Picture Industry Development Trust Fund".

(b) The Arkansas Supplemental Digital Product and Motion Picture

1 Industry Development Trust Fund shall consist of:

2 (1) Grants, donations, or transfers made by any person or
3 government agency or office;

4 (2) Any remaining balances in the Arkansas Supplemental Digital
5 Product and Motion Picture Industry Development Trust Fund carried forward
6 from year to year; and

7 (3) Any other moneys authorized or provided by law.

8 (c) The Arkansas Supplemental Digital Product and Motion Picture
9 Industry Development Trust Fund shall be used to offset the costs of
10 supplemental digital product and motion picture incentive act tax credits
11 allowed under § 15-4-2014, as follows:

12 (1)(A) At the request of the Secretary of the Department of
13 Commerce, the Secretary of the Department of Finance and Administration shall
14 certify to the Arkansas Economic Development Commission the amount in the
15 Arkansas Supplemental Digital Product and Motion Picture Industry Development
16 Trust Fund.

17 (B) The amount certified under subdivision (c)(1)(A) of
18 this section is the maximum amount of supplemental digital product and motion
19 picture industry development tax credits that may be approved; and

20 (2) On the first day of the month following the certification in
21 subdivision (c)(1) of this section, the Treasurer of State shall transfer the
22 amount certified under subdivision (c)(1) of this section to the General
23 Revenue Fund Account to be distributed as authorized under § 19-21-
24 102(b)(2)(B)(iii).

25

26 19-26-331. Monument to Unborn Children Display Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
29 be known as the "Monument to Unborn Children Display Fund".

30 (b) The fund shall consist of gifts, grants, and donations from
31 individuals and organizations as provided under the Monument to Unborn
32 Children Display Act, § 22-3-223, and other funds as may be provided by law.

33 (c) The fund shall be used exclusively for the purpose of erecting and
34 maintaining a suitable monument on the State Capitol grounds commemorating
35 unborn children aborted during the era of Roe v. Wade, 410 U.S. 113 (1973),
36 as provided in the Monument to Unborn Children Display Act, § 22-3-223.

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19-26-332. Arkansas Self-Funded Cyber Response Program Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Self-Funded Cyber Response Program Trust Fund".

(b) The fund shall consist of:

(1) All moneys received by the Arkansas Cyber Response Board for the Arkansas Self-Funded Cyber Response Program, including:

(A) Premiums collected by the Arkansas Cyber Response Board under this subchapter; and

(B) Restitution, interest payments, grants, gifts, and refunds; and

(2) All income derived through investment of the fund.

(c)(1) The fund shall be administered by and disbursed at the direction of the Arkansas Cyber Response Board.

(2) Moneys shall not be appropriated from the fund for any purpose except for:

(A) The use and benefit of participating governmental entities for claims; and

(B) Expenses of the Arkansas Cyber Response Board, including without limitation travel expenses, actuarial fees, consultant expenses, and service contract fees.

(3) The assets of the fund may be invested and reinvested as the Arkansas Cyber Response Board may determine with the advice of the State Board of Finance.

(4) For the purposes of investment, fund moneys invested and interest earned on fund moneys invested shall be administered as trust funds under the State Treasury Management Law, § 19-3-301 et seq.

(5) All moneys deposited into the fund shall not be subject to any deduction, tax, levy, or any other type of assessment.

19-26-333. University of Arkansas for Medical Sciences Maternal Health Workforce Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "University of Arkansas for Medical Sciences Maternal Health

1 Workforce Trust Fund”.

2 (b) The fund shall consist of:

3 (1) Moneys obtained from private grants or other sources that
4 are designated to be credited to the fund; and

5 (2) Any other funds authorized or provided by law.

6 (c)(1) The fund shall be used by the University of Arkansas for
7 Medical Sciences solely to open and offer programs in education and training,
8 including without limitation:

9 (A) Obstetrician-gynecologist residencies and fellowships;

10 (B) Family practice obstetrician fellowships;

11 (C) Nursing Midwife certifications;

12 (D) Doula certifications;

13 (E) Maternal community health worker training; and

14 (F) Maternal therapist certifications.

15 (2) The University of Arkansas for Medical Sciences shall
16 prioritize spending and allocating funds in a manner to maximize impact of
17 the expanded maternal health workforce considering the recommendations of the
18 Maternal Mortality Review Committee.

19 (d) Funds may be allocated to student financial aid in the form of
20 scholarships and loans for students who agree to:

21 (1) Participate in programs offered by the University of
22 Arkansas for Medical Sciences; and

23 (2) Practice in the State of Arkansas for at least two (2)
24 years.

25 (e) The Treasurer of State shall invest the moneys available in the
26 fund.

27 (f)(1) The investment of funds under this section is exempt from § 19-
28 3-318(a)(2)(B)(i)(b) and (c).

29 (2) Moneys in the fund may be invested in any instrument:

30 (A) Listed in § 19-3-318(b)(1)(B); and

31 (B) Approved by the guidelines established by the State
32 Treasury investment policy approved by the State Board of Finance.

33 (g) Moneys remaining in the fund at the end of each fiscal year shall
34 carry forward and be made available for the purposes stated in this section
35 in the next fiscal year.

36 (h)(1) The University of Arkansas for Medical Sciences shall submit a

1 semiannual report containing the following information to the Governor; the
2 Legislative Council or, if the General Assembly is in session, the Joint
3 Budget Committee; the Senate Committee on Public Health, Welfare, and Labor;
4 and the House Committee on Public Health, Welfare, and Labor:

5 (A) The balance of the fund as of the reporting date;

6 (B) A list of the administrative costs paid for from the
7 fund, including without limitation salaries, pensions, and packages;

8 (C) The total revenue received by the fund during the
9 reporting period; and

10 (D) A detailed description of the steps taken and the
11 progress made toward addressing the maternal health workforce needs of
12 Arkansas during the reporting period.

13 (2) The semiannual report required under this subsection shall
14 be submitted by January 1 and July 1 of each year.

15
16 CHAPTER 27

17 MISCELLANEOUS FUNDS

18
19 Subchapter 1. General Provisions [Reserved.]

20 Subchapter 2. Enumeration of Miscellaneous Funds

21 Subchapter 3. Enumeration of Miscellaneous Funds, Continued

22
23 Subchapter 1 – General Provisions [Reserved.]

24
25 Subchapter 2 – Enumeration of Miscellaneous Funds

26
27 19-27-201. Publication Development and Resale Revolving Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
30 fund to be known as the “Publication Development and Resale Revolving Fund”.

31 (b) The fund shall consist of income derived from the sale of
32 publications by the Division of Arkansas Heritage, there to be used to
33 develop or purchase additional publications for resale.

34 (c) The fund shall be administered by the Central Administration
35 Division of the Department of Parks, Heritage, and Tourism.

36 (d) Any funds remaining in the fund from which it derives its support

1 at the end of each fiscal year shall carry forward and be made available for
2 the same purpose for the next fiscal year.

3
4 19-27-202. Motor Vehicle Acquisition Revolving Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
7 fund to be known as the "Motor Vehicle Acquisition Revolving Fund".

8 (b) The fund shall be financed by:

9 (1) Its proportionate share of moneys made available from the
10 allocation of general revenues as authorized by the Revenue Stabilization
11 Law, § 19-20-101 et seq.;

12 (2) Moneys made available upon the disposal of used vehicles,
13 which moneys shall be deposited to the credit of the Motor Vehicle
14 Acquisition Revolving Fund rather than being deposited to the owing state
15 agency's fund;

16 (3) Deposits of moneys from benefiting state agencies; and

17 (4) Transfers from other State Treasury funds and fund accounts
18 of benefiting state agencies.

19 (c) The fund shall be used for the purpose of acquiring motor vehicles
20 as authorized by §§ 22-8-201 – 22-8-209.

21
22 19-27-203. Historic Preservation Revolving Loan Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
25 fund to be known as the Historic Preservation Revolving Loan Fund.

26 (b) The fund shall consist of:

27 (1) Private funds;

28 (2) Federal funds;

29 (3) Any portion of real estate transfer taxes deemed appropriate
30 by the Arkansas Historic Preservation Program; and

31 (4) Repayment of loans made pursuant to the Historic
32 Preservation Loan Act, § 13-7-501 et seq.

33 (c) The fund shall be used to make loans as provided in the Historic
34 Preservation Loan Act, § 13-7-501 et seq., as administered by the Arkansas
35 Historic Preservation Program.

36

1 19-27-204. General Revenue Allotment Reserve Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
4 fund to be known as the "General Revenue Allotment Reserve Fund".

5 (b) Unless otherwise provided by law, the General Revenue Allotment
6 Reserve Fund shall consist of:

7 (1) The remainder of the general revenues collected by the state
8 after deductions as specified in § 19-21-102 have been made and which are not
9 required to fulfill the requirements of the maximum allotments of general
10 revenues as may be provided in the Revenue Stabilization Law, § 19-20-101 et
11 seq., for the fiscal year in which the general revenues were collected and
12 deposited into the State Treasury; and

13 (2) The portion not determined to be special revenues by § 19-
14 40-110 of the year-end fund balances of the funds and fund accounts created
15 in § 19-22-102, except for § 19-22-102(11)(A), and in § 19-22-104(2), (7),
16 and (10), §§ 19-22-106, 19-22-107, 19-43-203, and 19-43-210, which fund
17 balances are to be transferred on or before August 15 of the fiscal year next
18 following the fiscal year during which balances accrued.

19 (c) Any funds that remain in the Division of Career and Technical
20 Education Fund Account or the fund accounts created in § 19-22-104(8) at the
21 end of a fiscal year due to the provisions of this section shall be
22 transferred by the Chief Fiscal Officer of the State to the Development and
23 Enhancement Fund there to be used exclusively to provide additional funding
24 for appropriations for the applicable vocational and technical schools,
25 technical institutes, or comprehensive lifelong learning centers, that are
26 made payable from the Development and Enhancement Fund.

27 (d) However, any funds that remain in the General Revenue Allotment
28 Reserve Fund or in the funds or fund accounts subject to this section that
29 have been reappropriated by the General Assembly may be carried forward from
30 one fiscal year to the next, in such amounts that do not exceed the actual
31 remaining balance of available appropriation as certified by the Chief Fiscal
32 Officer of the State.

33 (e) The General Revenue Allotment Reserve Fund shall be used for such
34 purposes as may be authorized by law.

35
36 19-27-205. Development and Enhancement Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "Development and Enhancement Fund".

4 (b) The Development and Enhancement Fund shall consist of those
5 special revenues specified in § 19-42-201(171) and any other funds made
6 available by the General Assembly from time to time.

7 (c) The Development and Enhancement Fund shall be used to provide
8 financing of various projects authorized by the General Assembly and to make
9 temporary loans or provide funding for appropriations authorized by the
10 General Assembly.

11 (d) The Development and Enhancement Fund shall be the successor fund
12 to the General Improvement Fund for the payment of any outstanding balances,
13 warrants, and reappropriations enacted by the General Assembly previously
14 payable from the General Improvement Fund.

15
16 19-27-206. Disaster Assistance Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
19 fund to be known as the "Disaster Assistance Fund".

20 (b) The Disaster Assistance Fund shall consist of moneys received from
21 the Budget Stabilization Trust Fund in such amounts as may be required to
22 provide state moneys for each declared emergency or major disaster as
23 required by the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq.,
24 but not to exceed in the aggregate the sum of sixteen million two hundred
25 fifty thousand dollars (\$16,250,000) per fiscal year.

26 (c)(1) The Chief Fiscal Officer of the State may authorize temporary
27 loans of moneys from the Budget Stabilization Trust Fund to the Disaster
28 Assistance Fund for making available immediate payments to individuals,
29 families, and public assistance grants for providing assistance to such
30 recipients that may be eligible for federal assistance.

31 (2)(A) These temporary loans shall be repaid to the Budget
32 Stabilization Trust Fund upon receipt of any federal funds for each declared
33 emergency.

34 (B) For each declared emergency, the temporary loans shall
35 be repaid on or before June 30 in the year the loan was made.

36 (C) However, the temporary loan shall not be necessarily

1 repaid on or before June 30 of the fiscal year in which the loan was made,
2 but may be repaid upon availability of federal moneys for such purpose.

3 (d)(1) Funds credited to the Disaster Assistance Fund shall be used
4 for making grants, loans, and assistance payments, as authorized by the
5 Arkansas Emergency Services Act of 1973, § 12-75-101 et seq., and applicable
6 federal laws for making grants and assistance payments to eligible recipients
7 enumerated in the Arkansas Emergency Services Act of 1973, § 12-75-101 et
8 seq.

9 (2) The moneys or funds may also be used for making refunds of
10 federal moneys or funds advanced or determined to be ineligible
11 disbursements.

12
13 19-27-207. Special Military Fund.

14 (a) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
16 fund to be known as the "Special Military Fund".

17 (b) The Special Military Fund shall consist of federal reimbursement
18 received on account of eligible expenditures by the Department of the
19 Military.

20 (c) The Special Military Fund shall be used to provide funding wholly
21 or partially for appropriations made payable from the Special Military Fund
22 and to provide supplemental support, to the extent necessary, to the
23 Department of the Military Fund Account of the State General Government Fund,
24 there to be used solely for the programs of the department.

25
26 19-27-208. Armory Construction Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
29 fund to be known as the "Armory Construction Fund".

30 (b) The fund shall consist of proceeds derived from the sale or other
31 disposition of National Guard armories or property thereof.

32 (c) The fund shall be used for the construction, improvement, or
33 equipping of National Guard armories or for such other purposes as may be
34 provided by law.

35
36 19-27-209. Miscellaneous Revolving Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "Miscellaneous Revolving Fund".

4 (b) The Miscellaneous Revolving Fund shall consist of such general
5 revenues as may be provided by the Revenue Stabilization Law, § 19-20-101 et
6 seq., and moneys transferred from the Budget Stabilization Trust Fund in such
7 amounts as may be required to provide funding for authorized expenditures as
8 appropriated by the General Assembly for:

9 (1) The Governor's Emergency Fund;

10 (2) Noncontroversial claims;

11 (3) Small controversial claims;

12 (4) Claims awarded to surviving spouses or dependent children of
13 deceased police officers, firefighters, and Arkansas Department of
14 Transportation employees killed in performing their official duties;

15 (5) Workers' compensation claims for municipal and county
16 employees;

17 (6) Claims for payment of college scholarships to surviving
18 children of law enforcement officers and firefighters killed in the official
19 line of duty;

20 (7) Miscellaneous tax refunds; and

21 (8) Livestock and poultry indemnities, not to exceed those
22 amounts appropriated by the General Assembly for the then-current biennial
23 period.

24 (c)(1) Excepting disbursement for livestock and poultry indemnities,
25 claims awarded to surviving spouses or dependent children of deceased police
26 officers, firefighters, and highway employees, college scholarships to
27 surviving children of law enforcement officers and firefighters killed in the
28 official line of duty, and workers' compensation claims for municipal and
29 county employees, the various funds shall reimburse the Miscellaneous
30 Revolving Fund for expenditures made for which the Miscellaneous Revolving
31 Fund is the beneficiary, upon request by the Chief Fiscal Officer of the
32 State.

33 (2) This reimbursement shall be done after determining that it
34 will not jeopardize the then-current fiscal year's operation of the affected
35 state agency or State Treasury fund from which the agency is being supported.

36 (3) The reimbursements shall be made to reimburse the Budget

1 Stabilization Trust Fund.

2

3 19-27-210. Property Sales Holding Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "Property Sales Holding Fund".

7 (b) The fund shall consist of the proceeds of property sold,
8 transferred, or rented by the Marketing and Redistribution Section, as
9 authorized by law, and such other funds as may be authorized by law.

10 (c) The fund shall be used for the expenditure of proceeds from the
11 sale or disposition of property by the benefiting state agency and for the
12 maintenance, operation, and improvement of the Marketing and Redistribution
13 Section.

14

15 19-27-211. Crime Information System Fund.

16 (a) This is created on the books of the Treasurer of State, the
17 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
18 fund to be known as the "Crime Information System Fund".

19 (b)(1) The Crime Information System Fund shall consist of:

20 (A) Those special revenues as specified in §§ 19-42-
21 201(14) and 19-6-301(235)

22 (B) Thirty-eight percent (38%) of the fees collected under
23 § 12-12-1510(c);

24 (C) Fifty percent (50%) of the fees collected under § 12-
25 12-1012;

26 (D) Allocations of general revenues as authorized by the
27 General Assembly;

28 (E) Moneys transferred or deposited from the State
29 Administration of Justice Fund; and

30 (F) Any federal grants and aid or reimbursements as may be
31 received.

32 (2) The Crime Information System Fund shall be used for the
33 maintenance, operation, improvement, and necessary expenditures for
34 administering the Arkansas Crime Information System.

35 (3) The Crime Information System Fund may be used for personal
36 services and operating expenses as provided by law.

1 (c) The then-current year allocations of general revenues not used or
2 needed for current year operations shall be transferred by the Chief Fiscal
3 Officer of the State to the General Revenue Allotment Reserve Fund.

4 (d) Beginning July 1, 2013, excluding the disposal fees that are to be
5 deposited into the Marketing Recyclables Program Fund under § 8-6-607(b)(2),
6 the first one hundred fifty thousand dollars (\$150,000) of fees collected
7 each fiscal year under § 8-6-607 shall be deposited into the State Treasury
8 and credited to the Crime Information System Fund to be used exclusively for
9 the scrap metal logbook program.

10 (e) Notwithstanding any other rule or provision of law to the
11 contrary, the Arkansas Crime Information Center may transfer appropriation
12 from the Contingency line item authorized for the Arkansas Crime Information
13 Center to the Scrap Metal Logbook line item appropriation.

14 (f) Moneys remaining in the Crime Information System Fund at the end
15 of each fiscal year shall carry forward and be made available for the
16 purposes stated in this section in the next fiscal year.

17
18 19-27-212. Performance Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the "Performance Fund".

22 (b) The Performance Fund shall be used for transfer of funds and
23 appropriations to various state agencies, funded, in whole or in part, with
24 general revenues, for regular salary and personal services matching
25 adjustments authorized by the General Assembly and to award raises to
26 employees based upon the performance evaluation system and in accordance with
27 rules promulgated by the Chief Fiscal Officer of the State and which do not
28 have sufficient funding or appropriations to pay for the raises or increases.

29 (c) The Performance Fund shall consist of those general revenues
30 provided by law.

31 (d) Any references to the Merit Adjustment Fund in this Code or acts
32 of the General Assembly, including without limitation appropriation acts,
33 shall be deemed and interpreted as the Performance Fund.

34
35 19-27-213. Child Support Enforcement Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
2 fund to be known as the "Child Support Enforcement Fund".

3 (b) The Child Support Enforcement Fund shall consist of:

4 (1) The state share of funds collected by the Office of Child
5 Support Enforcement that were previously paid by the state as Aid to Families
6 with Dependent Children payments;

7 (2) All incentive payments received from the United States
8 Government for both Aid to Families with Dependent Children and non-Aid to
9 Families with Dependent Children collections;

10 (3) All amounts received as reimbursement from the state and
11 federal programs; and

12 (4) All amounts earned as interest on these amounts.

13 (c) The Child Support Enforcement Fund shall be used for deposit of
14 funds collected by the Office of Child Support Enforcement under Title IV,
15 Part D, of the Social Security Act.

16 (d)(1) It is the intent of the General Assembly that the Office of
17 Child Support Enforcement operated under Title IV, Part D, of the Social
18 Security Act utilize funds retained in the Child Support Enforcement Fund for
19 operation and improvement of the program in this state.

20 (2) All funds accumulated in the Child Support Enforcement Fund
21 shall be retained by the program to pay expenses incurred in the operation
22 and improvement of the program in Arkansas.

23

24 19-27-214. Rural Fire Protection Revolving Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
27 fund to be known as the "Rural Fire Protection Revolving Fund".

28 (b) The fund shall consist of such general revenues as may be provided
29 by law and any other funds made available by § 14-284-301 et seq.

30 (c) The fund shall be used as provided in § 14-284-305.

31

32 19-27-215. Higher Education Building Maintenance Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
35 fund to be known as the "Higher Education Building Maintenance Fund".

36 (b) The Higher Education Building Maintenance Fund shall consist of

1 those moneys received by the state under § 19-7-501(b)(1) after having been
2 transferred from the General Revenue Fund Account as specified in subsection
3 (c) of this section.

4 (c) At the close of each quarter of each state fiscal year, the Chief
5 Fiscal Officer of the State shall cause to be transferred on the books and on
6 those of the Treasurer of State from the General Revenue Fund Account to the
7 Higher Education Building Maintenance Fund an amount equal to those funds
8 received under § 19-7-501(b)(1) during the quarter just closed.

9 (d) The funds accruing to the Higher Education Building Maintenance
10 Fund under this section shall be disbursed by the Commissioner of the
11 Division of Higher Education in accordance with the recommendations of the
12 Arkansas Higher Education Coordinating Board, but only after the board
13 determines the projects and priorities for which the funds shall be used, and
14 after the board has sought the advice of the Legislative Council with respect
15 to them.

16

17 19-27-216. County Solid Waste Management System Aid Fund –
18 Definitions.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the “County Solid Waste Management System Aid Fund”.

22 (b) The fund shall consist of such special or general revenues or
23 other moneys that may be deposited into the County Solid Waste Management
24 System Aid Fund as provided by the General Assembly, to be used for the
25 purpose of providing financial assistance to counties in the manner provided
26 in this section, for the establishment, expansion, maintenance, and operation
27 of county solid waste collection and disposal systems.

28 (c) As used in this section:

29 (1) “County solid waste collection and disposal system” or
30 “county solid waste management system” means:

31 (A) A county-owned and operated solid waste management and
32 disposal system funded by moneys appropriated by the quorum court;

33 (B) A municipally owned and operated solid waste
34 management and disposal system located within the county or adjoining
35 counties, operated under contract with the county whereby the county is
36 provided access thereto, and the quorum court appropriates funds to defray

1 the county's share of the cost of operating such facility;

2 (C) A privately owned solid waste management and disposal
3 system located within the county, or an adjoining county, in which the county
4 has entered into a contract providing access and services of the facility for
5 the use and benefit of the county under the terms of which the county's share
6 of the operating cost is funded by an appropriation made by the quorum court
7 of the county; or

8 (D) A solid waste collection and disposal system operated
9 by two (2) or more counties, or by one (1) or more counties and one (1) or
10 more municipalities, or operated by a private owner, under a compact or
11 agreement whereby each of the participating counties and municipalities has
12 access to the facility and appropriates, through its governing body, funds to
13 defray their respective shares of the cost of the facility; and

14 (2) "Solid waste management system" means the entire process of
15 storage, collection, transportation, processing, treatment, and disposal of
16 solid waste.

17 (d) All of the general revenues and special revenues and other funds
18 deposited into the County Solid Waste Management System Aid Fund during each
19 fiscal year shall be allocated by the Treasurer of State to each of the
20 counties in the state, to be distributed to the counties only as provided in
21 this section, on the basis of seventy-five percent (75%) divided equally
22 among the seventy-five (75) counties of the state and twenty-five percent
23 (25%) on the basis of population according to the most recent federal
24 decennial census, with each county to receive an allocation of the funds in
25 the proportion that its population bears to the total population of the
26 state.

27 (e)(1) Before any county is eligible to receive its portion of the
28 moneys in the County Solid Waste Management System Aid Fund during any fiscal
29 year, the county, on or before the first day of the fiscal year, shall
30 furnish the Treasurer of State the following information on forms to be
31 developed by the Treasurer of State:

32 (A) Proof that the county operates, or is in the process
33 of establishing, a solid waste management system for that county and that the
34 solid waste management system is available to serve the residents of the
35 county and may be available for service to various cities and towns within
36 the counties through interlocal agreements, compacts, or authorities;

1 (B) That the quorum court of the county has established
2 and approved a budget for the operation of the county solid waste management
3 system for the fiscal year and has appropriated funds for it in an amount
4 sufficient to support not less than fifty percent (50%) of the costs of
5 operating the solid waste management system and that the funds appropriated
6 for this purpose will be used solely for the cost of establishing, operating,
7 and maintaining the solid waste management system, and for the hiring of
8 personnel and for the acquisition of equipment and land required to operate
9 the solid waste management system; and

10 (C) That the amount of funds allocated to the county for
11 the year under this section shall be used exclusively for establishing,
12 operating, and maintaining the solid waste management system, meeting the
13 requirements of this section, including the acquisition of land, and
14 acquisition, maintenance, repair, and operation of equipment used in
15 connection with the operation of the solid waste management system.

16 (2)(A) If any county fails, during any fiscal year, to expend an
17 amount of county funds equal to at least fifty percent (50%) of the cost of
18 operating its solid waste management system, or uses any of the state funds
19 allocated under this section for any purpose other than as intended by it,
20 the county shall be ineligible to receive moneys during the next-following
21 fiscal year from the County Solid Waste Management System Aid Fund.

22 (B) However, the quorum court may make reapplication for
23 state assistance funds during the year thereafter, upon offering the
24 appropriate assurances in writing that it will meet the full requirements of
25 the intent and purposes of this section in the use of the funds.

26 (f)(1) The moneys saved from legislation enacted by the Seventy-Fifth
27 General Assembly that reduced contributions made by the state for state
28 employees who are employed by a state agency funded, in whole or in part,
29 with general revenues shall be set aside and implemented by the Chief Fiscal
30 Officer of the State and the Treasurer of State in the amount and in
31 accordance with procedures set forth in this subsection:

32 (A) Beginning the month after the month in which the
33 reductions in retirement contributions occur, the Chief Fiscal Officer of the
34 State shall determine the amount of the general revenue savings, by fund or
35 fund account, based upon the previous month's payroll deductions for
36 retirement contributions to the Arkansas Public Employees' Retirement System;

1 (B) During each fiscal year, the Chief Fiscal Officer of
2 the State shall cause to be transferred on the books and those of the
3 Treasurer of State the amount of the monthly general revenue savings from
4 each affected fund or fund account to the Revenue Holding Fund Account before
5 the close of business on the last day of each month until an aggregate of
6 five million dollars (\$5,000,000) of the general revenue savings during a
7 fiscal year has been transferred to the Revenue Holding Fund Account from
8 those sources. Monthly transfers of the general revenue savings to the
9 Revenue Holding Fund Account shall then cease for the remainder of the fiscal
10 year; and

11 (C) After providing for the distribution of general
12 revenues available for distribution, the Treasurer of State shall transfer
13 the total amount of the general revenue savings as certified to the Treasurer
14 of State by the Chief Fiscal Officer of the State from the Revenue Holding
15 Fund Account to the County Solid Waste Management System Aid Fund. This
16 amount shall be used to make monthly distributions from the County Solid
17 Waste Management System Aid Fund in the manner provided by law to the
18 respective counties of this state to be used for the support of the county
19 solid waste management system as provided in this section.

20 (2)(A) If any county fails to qualify for its proportionate
21 share of the moneys in the County Solid Waste Management System Aid Fund
22 during any fiscal year, the moneys shall be reapportioned among various
23 counties that qualify to receive their proportionate shares of the County
24 Solid Waste Management System Aid Fund moneys during the fiscal year, in
25 accordance with the distribution formula set forth in subsection (d) of this
26 section.

27 (B) The Treasurer of State shall monthly distribute moneys
28 to the eligible counties as authorized in this section in the same manner as
29 other county aid funds are distributed, and the moneys shall be credited and
30 used solely for the support and operation of the county solid waste
31 management system.

32
33 19-27-217. Department of Human Services Renovation Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
36 fund to be known as the "Department of Human Services Renovation Fund".

1 (b) The fund shall be used for constructing, acquiring, renovating,
2 maintaining, repairing, and equipping facilities of the Department of Human
3 Services and for paying disallowances by the United States Government.

4 (c) The fund shall consist of:

5 (1) Federal reimbursement received by the department and
6 deposited into the various fund accounts of the department;

7 (2)(A) General revenues transferred from the Division of Youth
8 Services, the Division of Aging, Adult, and Behavioral Health Services of the
9 Department of Human Services, and the Division of Developmental Disabilities
10 Services for the purposes of repairing, renovating, equipping, acquiring, and
11 constructing department facilities with an annual maximum of five million
12 dollars (\$5,000,000).

13 (B) The projects for which these transfers are authorized
14 shall be projects that:

15 (i) Were unanticipated during the preceding regular
16 session of the General Assembly; and

17 (ii) If not carried out in the interim period
18 between regular sessions of the General Assembly, would cause greater harm to
19 the facilities, clients, or programs of the department than if carried out
20 during the next regular session; and

21 (3) Other nongeneral revenue funds as may be available within
22 the department that can be used for the purposes of the fund.

23 (d)(1) At the request of the Secretary of the Department of Human
24 Services and upon certification of the availability of such funds, the Chief
25 Fiscal Officer of the State shall initiate the necessary transfer documents
26 to reflect the transfer on the books of record of the Treasurer of State, the
27 Auditor of State, the Chief Fiscal Officer of the State, and the department.

28 (2) The secretary shall submit any transfer plan to and must
29 receive approval of the plan from the Chief Fiscal Officer of the State, the
30 Governor, and the Legislative Council before the effective date of the
31 transfer.

32 (e) Any nongeneral revenue funding that may remain in the fund at the
33 end of any fiscal year shall be carried over into the next fiscal year, and
34 all obligated general revenue funding that may remain in the fund at the end
35 of any fiscal year shall be carried over into the next fiscal year to satisfy
36 any legal and contractual obligations that have been entered into before the

1 end of the fiscal year.

2 (f) Determining the amount of funds appropriated to a state agency is
3 the prerogative of the General Assembly and is usually accomplished by
4 delineating specific line items and by identifying the appropriation and
5 funding attached to that line item. The General Assembly has determined that
6 the department could be operated more efficiently if some flexibility is
7 given to the department. That flexibility is being accomplished by providing
8 transfer authority in subsection (d) of this section, and since the General
9 Assembly has granted the department broad powers under the transfer authority
10 concept, it is both necessary and appropriate that the General Assembly
11 maintain oversight of the utilization of the transfer authority by requiring
12 prior approval of the Legislative Council in the utilization of this transfer
13 authority. Therefore, the requirement of approval by the Legislative Council
14 is not a severable part of this section. If the requirement of approval by
15 the Legislative Council is ruled unconstitutional by a court of competent
16 jurisdiction, this entire section is void.

17

18 19-27-218. White River Navigation Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the "White River Navigation Fund".

22 (b) The fund shall consist of moneys that may be appropriated for the
23 fund by the General Assembly.

24 (c) The fund shall be used by the Arkansas Waterways Commission in
25 making available the state funds that may be required by the United States
26 Congress in connection with the White River Navigation Improvement Project,
27 if the United States Congress authorizes the project, and shall provide funds
28 to the United States Army Corps of Engineers for the project, conditioned
29 upon the State of Arkansas' providing financial assistance in connection with
30 defraying a portion of the cost of the project.

31

32 19-27-219. Special account for youth services centers.

33 All funds received by the youth services centers from tie-in fees
34 charged persons who connect with the water lines installed under Acts 1961
35 (1st Ex. Sess.), No. 9, shall be deposited into the State Treasury to the
36 credit of a special account to be used for future construction, repairs, and

1 improvements at the youth services centers.

2
3 19-27-220. Arkansas Public Service Commission Tax Division Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
6 be known as the "Arkansas Public Service Commission Tax Division Fund".

7 (b) The Arkansas Public Service Commission Tax Division Fund shall be
8 used for the maintenance, operations, and improvement of the Tax Division of
9 the Arkansas Public Service Commission in carrying out its functions, powers,
10 and duties as set out by law and by rules not inconsistent with law.

11 (c) The Arkansas Public Service Commission Tax Division Fund shall
12 consist of:

13 (1) The proportion due the Tax Division of the Arkansas Public
14 Service Commission of those ad valorem taxes levied on rolling stock as set
15 out in §§ 26-26-1614 – 26-26-1616, as prescribed in § 19-26-204;

16 (2) Moneys transferred from the Arkansas Public Service
17 Commission Fund in such amount as provided by this section in order to
18 support those activities of the Tax Division of the Arkansas Public Service
19 Commission that relate to the assessment and levying of taxes on utility
20 property; and

21 (3) Moneys transferred from the Miscellaneous Agencies Fund
22 Account in an amount that shall not exceed the difference between the total
23 appropriation provided by the General Assembly for the Tax Division of the
24 Arkansas Public Service Commission and the aggregate total of:

25 (A) The prior year remaining balance in the Arkansas
26 Public Service Commission Tax Division Fund; and

27 (B) The transfer provided from the Arkansas Public Service
28 Commission Fund.

29 (d) On July 1 of each fiscal year, the amount of the transfer from the
30 Arkansas Public Service Commission Fund to the Arkansas Public Service
31 Commission Tax Division Fund shall be in an amount which is equal to sixty-
32 five percent (65%) of the difference between the total appropriation provided
33 by the General Assembly for personal services and operating expenses of the
34 Tax Division of the Arkansas Public Service Commission for the current fiscal
35 year and the balance remaining in the Arkansas Public Service Commission Tax
36 Division Fund on the immediately preceding June 30.

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19-27-221. Department of Human Services Consolidated Cost Revolving Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Department of Human Services Consolidated Cost Revolving Fund".

(b) The Treasurer of State may establish a revolving fund for the Office of Finance and Administration of the Department of Human Services, for the purposes of providing a system to charge consolidated costs for such items as postage, vehicle maintenance, vehicle insurance, vehicle license and title fees, tires and tubes, fuel, credit card purchases, office supplies, duplication supplies, micrographic supplies, equipment acquisition, equipment maintenance and repair, sales and use taxes, and various other licenses and permits. These items will be purchased by the Office of Finance and Administration through the use of the fund and charged to each division and office as that division or office uses them. This will allow for the expenditure to be appropriately charged to the benefiting program.

(c)(1) The replenishment of the fund shall consist of such funds as budgeted by the division and offices for these items of cost that could be general revenue, special revenue, federal funds, cash funds, or any other funds under the authority of the divisions and offices.

(2) The fund shall be replenished as needed but not less than six (6) times per fiscal year.

(d) The fund shall be established and maintained in accordance with procedures established by the Chief Fiscal Officer of the State.

19-27-222. Environmental Education Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Environmental Education Fund".

(b)(1) The Environmental Education Fund shall consist of that portion of moneys transferred from the Hazardous Substance Remedial Action Trust Fund as set out in § 8-7-509.

(2) Moneys transferred under subdivision (b)(1) of this section shall not exceed two hundred seventy-five thousand dollars (\$275,000) per

1 fiscal year.

2 (c) The Environmental Education Fund shall be used by the Division of
3 Environmental Quality to provide environmental educational materials and
4 training.

5

6 19-27-223. Abandoned Mine Reclamation Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
9 fund to be known as the "Abandoned Mine Reclamation Fund".

10 (b) The fund shall consist of moneys received through a grant from the
11 United States Secretary of the Interior pursuant to the state abandoned mine
12 reclamation program.

13 (c) The fund shall be used by the Division of Environmental Quality
14 for the program.

15

16 19-27-224. Surface Coal Mining Operation Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
19 fund to be known as the "Surface Coal Mining Operation Fund".

20 (b) The fund shall consist of application and permit fees for surface
21 coal mining.

22 (c) The fund shall be used by the Division of Environmental Quality
23 only for the administration and enforcement of the Arkansas Surface Coal
24 Mining and Reclamation Act of 1979, § 15-58-101 et seq., and as the state's
25 matching percentage share for any grants available to the state for the
26 administration and enforcement of the state program as defined in § 15-58-
27 104.

28

29 19-27-225. Lead-Based Paint-Hazard Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
32 fund to be known as the "Lead-Based Paint-Hazard Fund".

33 (b) The Lead-Based Paint-Hazard Fund shall consist of:

34 (1) All moneys remaining in the Lead-Based Paint-Hazard Fund as
35 of July 1, 2011;

36 (2) All moneys recovered under the Arkansas Lead-Based Paint-

1 Hazard Act of 2011, § 20-27-2501 et seq.; and

2 (3) Any other moneys received by the state as a gift or donation
3 to the Lead-Based Paint-Hazard Fund.

4 (c) The Lead-Based Paint-Hazard Fund shall be used for the lead-based
5 paint program as administered by the Department of Health as set out in the
6 Arkansas Lead-Based Paint-Hazard Act of 2011, § 20-27-2501 et seq.

7

8 19-27-226. Solid Waste Performance Bond Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
11 fund to be known as the "Solid Waste Performance Bond Fund".

12 (b) The fund shall consist of all forfeitures collected under the
13 Arkansas Solid Waste Management Act, § 8-6-201 et seq.

14 (c) The fund shall be used only to accomplish remedial action,
15 including closure of lands covered by performance bonds forfeited under the
16 Arkansas Solid Waste Management Act, § 8-6-201 et seq.

17

18 19-27-227. Juvenile Detention Facilities Operating Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the "Juvenile Detention Facilities Operating Fund".

22 (b) The Juvenile Detention Facilities Operating Fund shall consist of
23 moneys transferred from the Youth Services Fund Account of the Department of
24 Human Services Fund.

25

26 19-27-228. Research Development Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
29 fund to be known as the "Research Development Fund".

30 (b) The Research Development Fund shall consist of:

31 (1) Funds transferred from the Higher Education Building
32 Maintenance Fund; and

33 (2) Any other moneys provided by the General Assembly.

34 (c) The Research Development Fund shall be used for the administration
35 and operations of the Arkansas Research Development Program of the Division
36 of Higher Education, as provided in the Arkansas Research Development Act, §

1 6-61-801 et seq.

2

3 19-27-229. Revenue Local Tax Revolving Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "Revenue Local Tax Revolving Fund".

7 (b) The fund shall consist of income taxes or any taxes not otherwise
8 prohibited by law levied by counties or municipalities and for which the
9 collection and administration of such taxes are performed by the state, as
10 authorized in § 26-73-105, there to be transmitted at least quarterly in each
11 state fiscal year to the local government levying the tax, all as provided in
12 §§ 26-73-101 – 26-73-109.

13

14 19-27-230. Rural Health Services Revolving Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
17 fund to be known as the "Rural Health Services Revolving Fund".

18 (b) The Rural Health Services Revolving Fund shall consist of funds
19 transferred from the Development and Enhancement Fund or any other funds made
20 available by the General Assembly.

21 (c) The Rural Health Services Revolving Fund shall be used to provide
22 matching funds, on a fifty-fifty (50:50) cash basis up to a maximum of two
23 hundred thousand dollars (\$200,000) per applicant, for assisting in the
24 stabilizing of necessary medical services provided by county, local,
25 commercial, or nonprofit operations, all as administered by the Department of
26 Health as set out in the Rural Health Services Revolving Fund Act, § 20-12-
27 401 et seq.

28

29 19-27-231. Rural Medical Clinic Revolving Loan Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
32 fund to be known as the "Rural Medical Clinic Revolving Loan Fund".

33 (b) The fund shall consist of moneys provided by law.

34 (c) The fund shall be used exclusively for the making of loans by the
35 State Board of Finance, upon application therefor, for the construction and
36 equipping of rural medical clinics in rural areas of this state, as defined

1 in § 20-12-202.

2
3 19-27-232. City-County Tourist Facilities Aid Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "City-County Tourist Facilities Aid Fund".

7 (b) The City-County Tourist Facilities Aid Fund shall consist of
8 moneys deducted from the General Revenue Fund Account in such amounts
9 necessary to meet the quarterly payments to cities and counties that are
10 parties to an agreement with the state, entered into pursuant to § 14-171-
11 210.

12 (c) The City-County Tourist Facilities Aid Fund shall be administered
13 by the State Board of Finance and disbursed by the Treasurer of State as
14 provided in the City-County Tourist Meeting and Entertainment Facilities
15 Assistance Law, § 14-171-201 et seq.

16
17 19-27-233. Arkansas Water Resources Cost Share Revolving Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "Arkansas Water Resources Cost Share Revolving Fund".

21 (b) The fund shall consist of funds appropriated or otherwise secured
22 for the purposes of cost sharing with the United States Government in local
23 water resources development projects and loan repayments to the fund.

24 (c) The fund shall be used to:

25 (1) Provide loans or grants to local governments as provided in
26 the Arkansas Water Resources Cost Share Finance Act, § 15-22-801 et seq.; and

27 (2) Allow up to twenty percent (20%) of the total cost of a
28 project as administrative costs.

29
30 19-27-234. Drug Abuse Prevention and Treatment Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 fund to be known as the "Drug Abuse Prevention and Treatment Fund".

34 (b) The Drug Abuse Prevention and Treatment Fund shall consist of:

35 (1) Those moneys transferred or deposited from the State
36 Administration of Justice Fund;

1 (2) General revenue that is transferred from the Behavioral
2 Health Services Fund Account;

3 (3) Federal reimbursement received on account of eligible
4 expenditures; and

5 (4) Other funds as may be provided by law.
6

7 19-27-235. Law Enforcement and Prosecutor Drug Enforcement Training
8 Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
11 fund to be known as the "Law Enforcement and Prosecutor Drug Enforcement
12 Training Fund".

13 (b) The Law Enforcement and Prosecutor Drug Enforcement Training Fund
14 shall consist of those moneys transferred or deposited from the State
15 Administration of Justice Fund.
16

17 19-27-236. County Jail Reimbursement Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "County Jail Reimbursement Fund".

21 (b) The fund shall consist of those general revenues or general
22 improvement funds that may be provided by law.

23 (c) The fund shall be used by the Division of Correction for
24 reimbursing counties housing prisoners sentenced to the Division of
25 Correction.

26 (d) The fund shall be used by the Division of Community Correction for
27 reimbursing counties that are housing prisoners:

28 (1) Sentenced to the Division of Community Correction;

29 (2) Placed on probation if the probation is accompanied by
30 incarceration in the Division of Community Correction; or

31 (3) Confined in a county jail under any prerelease program or
32 sanction imposed in response to a violation of a supervised condition.
33

34 19-27-237. Building Authority Division Maintenance Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous

1 fund to be known as the "Building Authority Division Maintenance Fund".

2 (b)(1) The fund shall consist of all moneys received in connection
3 with the leasing, management, and operation of building facilities and lands
4 belonging to or managed by the Building Authority Division.

5 (2) The moneys received by the division are declared to be
6 nonrevenue receipts.

7 (c) The fund shall be used for the maintenance, operation, and
8 improvement of lands, buildings, and facilities that may be acquired by the
9 division.

10

11 19-27-238. Arkansas Medicaid Rebate Program Revolving Fund – Arkansas
12 Medicaid Rebate Program Revolving Fund Act of 1991 – Definition.

13 (a) This section shall be known and may be cited as the "Arkansas
14 Medicaid Rebate Program Revolving Fund Act of 1991".

15 (b) As used in this section, "drug manufacturer" means any person,
16 partnership, corporation, or other institution or entity that is engaged in
17 the production, preparation, propagation, compounding, conversion, or
18 processing of drugs, either directly or indirectly by extraction from the
19 substance of natural origin, or independently by means of chemical synthesis,
20 or by a combination of extraction and chemical synthesis, or in the
21 packaging, repackaging, labeling, relabeling, and distribution of drugs.

22 (c)(1) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund to be known as the "Arkansas Medicaid Rebate Program Revolving Fund".

25 (2) The fund shall be administered by the Division of Medical
26 Services of the Department of Human Services.

27 (d)(1) The department is authorized to receive moneys in the form of
28 rebates from drug manufacturers as established by contract or pursuant to the
29 provisions of the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-
30 508.

31 (2) Any moneys accruing to the department through these rebates
32 shall be deposited into the State Treasury as nonrevenue receipts to be
33 credited to the Arkansas Medicaid Rebate Program Revolving Fund and
34 transferred by the Secretary of the Department of Human Services to the
35 Department of Human Services Medicaid Paying Accounts Account to be used
36 solely for paying pharmacy claims in the Arkansas Medicaid Drug Rebate

1 Program.

2 (3) Any general revenues that accrue as a result of the receipt
3 of the Medicaid rebate shall be transferred to the Department of Human
4 Services Grants Fund Account.

5

6 19-27-239. Parks and Tourism Outdoor Recreation Grants Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
9 fund to be known as the "Parks and Tourism Outdoor Recreation Grants Fund".

10 (b) The fund shall consist of ten percent (10%) of those special
11 revenues as specified in § 19-42-201(145).

12 (c) The fund shall be used by the Department of Parks, Heritage, and
13 Tourism for making grants for outdoor recreational purposes to cities and
14 counties of this state in accordance with the Arkansas Statewide
15 Comprehensive Outdoor Recreation Plan as provided in § 15-12-103.

16

17 19-27-240. Justice Building Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "Justice Building Fund".

21 (b) The Justice Building Fund shall consist of all moneys transferred
22 or deposited from the State Administration of Justice Fund.

23 (c) The Justice Building Fund shall be used exclusively by the
24 Building Authority Division for the maintenance of the Arkansas Justice
25 Building.

26

27 19-27-241. Trial Expense Assistance Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
30 fund to be known as the "Trial Expense Assistance Fund".

31 (b) The Trial Expense Assistance Fund shall consist of moneys
32 transferred to it from the Miscellaneous Revolving Fund.

33 (c) The Trial Expense Assistance Fund shall be used to pay for
34 reimbursement of costs incurred in certain trials as set out in § 16-92-109.

35

36 19-27-242. Cities in School Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "Cities in School Fund".

4 (b) The Cities in School Fund shall consist of those moneys
5 transferred from the General Revenue Fund Account.

6 (c) The Cities in School Fund shall be used for providing grants to
7 community-based pilot programs directed toward solving problems of children
8 and their families as provided in Acts 1992 (1st Ex. Sess.), No. 1, §§ 7 and
9 8.

10
11 19-27-243. Division of Information Systems Revolving 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 miscellaneous
14 fund to be known as the "Division of Information Systems Revolving Fund".

15 (b) The fund shall consist of:

16 (1) Nonrevenue receipts derived from services provided to
17 various agencies of the federal, state, city, and county governments; and

18 (2) Any other moneys that may be provided by law.

19 (c) The fund shall be used for the maintenance, operation, and
20 improvement of the Division of Information Systems as provided in the
21 Arkansas Information Systems Act of 1997, § 25-4-101 et seq.

22
23 19-27-244. Information Technology Reserve Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
26 fund to be known as the "Information Technology Reserve Fund".

27 (b) The Information Technology Reserve Fund shall consist of:

28 (1) Those funds transferred from the Division of Information
29 Systems Revolving Fund in an amount up to the authorized reserve for
30 equipment acquisition as certified by the Chief Fiscal Officer of the State
31 within thirty (30) days following the closing of each fiscal year;

32 (2) Any loans that may be received from the Budget Stabilization
33 Trust Fund; and

34 (3) Any other moneys that may be provided by law.

35 (c) The Information Technology Reserve Fund shall be used exclusively
36 for major equipment acquisitions or improvements as provided in § 25-4-122.

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19-27-245. Technology Equipment Revolving Loan Fund.

(a) There is created a cash fund, as defined by § 19-4-801, to be known as the “Technology Equipment Revolving Loan Fund”.

(b) The funds for the Technology Equipment Revolving Loan Fund shall consist of all moneys appropriated for the purpose of the fund, all moneys transferred to the fund pursuant to law, all moneys required by this section or any other law to be paid into or credited to the fund, all moneys, including interest, paid by borrowers to the fund in repayment of loans made from the fund, and all moneys given to the fund by interested individuals or entities, and the Technology Equipment Revolving Loan Fund Committee shall be authorized to accept the moneys on behalf of the fund from any source, including federal and state grants.

(c) The fund shall be used to provide qualified individuals with disabilities and their family members with the financial opportunity to purchase or modify equipment, facilities, and related services used by one (1) or more persons with a disability to enhance independence, productivity, and full participation in the community. Expenditures from the fund may include, but are not limited to, communication devices, prostheses, wheelchairs, wheelchair car-lifts, ramps and roll-in showers, and telecommunication devices for persons who are Deaf, deaf, or Hard of Hearing, and devices which allow persons who are blind or visually impaired to discern printed materials.

(d) Unexpended moneys contained in the fund at the end of the fiscal year shall be carried forward from year to year.

19-27-246. Major Industry Facilities Incentive Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the “Major Industry Facilities Incentive Fund”.

(b) The Major Industry Facilities Incentive Fund shall consist of those moneys transferred from the General Revenue Fund Account.

(c) The Major Industry Facilities Incentive Fund shall be used for making payments to state agencies or political subdivisions as provided in the Major Industry Facilities Incentive Act, § 15-4-1801 et seq.

1 19-27-247. Emergency Medical Services Revolving Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
4 fund to be known as the "Emergency Medical Services Revolving Fund".

5 (b) The fund shall consist of those funds that may be made available.

6 (c) The fund shall be administered by the Department of Health as
7 provided in the Emergency Medical Services Revolving Fund Act, § 20-13-101.
8

9 19-27-248. Nursing Student Scholarship Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
12 fund to be known as the "Nursing Student Scholarship Fund".

13 (b) The fund shall consist of:

14 (1) Funds appropriated for nursing student scholarships; and

15 (2) Grants, contributions, or gratuities derived from federal
16 means or private persons or corporations.

17 (c) The fund shall be used for providing scholarships or financial
18 assistance to nursing students, as administered by the Graduate Nurse
19 Educator Loan and Scholarship Board as provided in § 6-81-1201 et seq.
20

21 19-27-249. Geology Map Resale Revolving Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund to be known as the "Geology Map Resale Revolving Fund".

25 (b) The fund shall consist of moneys received from the resale of
26 publications of maps by the Office of the State Geologist.

27 (c) The fund shall be used for personal services and operating
28 expenses relating to the purchase of publications of maps for resale by the
29 Office of the State Geologist, as authorized in Acts 1975, No. 80, § 6.
30

31 19-27-250. County Road Construction and Maintenance Revolving Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
34 fund to be known as the "County Road Construction and Maintenance Revolving
35 Fund".

36 (b) The County Road Construction and Maintenance Revolving Fund shall

1 consist of moneys transferred from the Budget Stabilization Trust Fund from
2 time to time, not to exceed the amount as set out in § 27-72-317.

3 (c) The County Road Construction and Maintenance Revolving Fund shall
4 be used for making advance transfers to the several county highway funds,
5 state-aid road funds, federal-aid secondary road funds, and all other
6 provisions of county road construction assistance as administered by the
7 Chief Fiscal Officer of the State, as provided in §§ 27-72-301, 27-72-305,
8 27-72-312, 27-72-313, 27-72-315, and 27-72-317 – 27-72-319.

9
10 19-27-251. Arkansas Agricultural Marketing Grants Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
13 fund to be known as the “Arkansas Agricultural Marketing Grants Fund”.

14 (b) The fund shall consist of the fees specified by § 19-43-311(b) and
15 such moneys as may be provided by law.

16 (c) The fund shall be used for making payments of grants to eligible
17 Arkansas wineries with respect to the purchase of grapes, fruits, berries, or
18 vegetables produced in this state and purchased for use in this state for the
19 production of wine.

20
21 19-27-252. Wastewater Licensing Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund to be known as the “Wastewater Licensing Fund”.

25 (b) The fund shall consist of examination, license, and license
26 renewal fees as set out in § 8-5-209.

27 (c) The fund shall be used only for the administration of § 8-5-201 et
28 seq.

29
30 19-27-253. Information Network of Arkansas Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 fund to be known as the “Information Network of Arkansas Fund”.

34 (b) The fund shall consist of all moneys received by the Information
35 Network of Arkansas from gifts, donations, grants, or any other sources
36 available by law.

1 (c) The fund shall be used as provided in the Information Network of
2 Arkansas Act, § 25-27-101 et seq.

3
4 19-27-254. Higher Education Tuition Adjustment Fund – Intent.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
7 fund to be known as the “Higher Education Tuition Adjustment Fund”.

8 (b) The fund shall consist of revenues allocated to the fund by law.

9 (c) It is the intent of the General Assembly that the fund ensure that
10 bona fide Arkansas income taxpayers, and their dependents, who are residents
11 of a bordering state in a contiguous county to the Arkansas state line, which
12 is contiguous to a county where an institution of higher education is located
13 receive the same higher education opportunities as all other taxpayers.

14 (d)(1) In establishing this policy, it is the intent of the General
15 Assembly that taxpayers should have affordable access to the state’s higher
16 education institutions.

17 (2) Further, the Division of Higher Education shall require each
18 institution to track and report the number of qualifying students each year.

19 (3) A list of students who benefit from the out-of-state tuition
20 waiver, including their Social Security numbers or their Arkansas taxpaying
21 parents’ or guardians’ names and Social Security numbers, shall be furnished
22 by the division to the Department of Finance and Administration for
23 confirmation that they or their parents are employed in Arkansas at a wage in
24 excess of five thousand five hundred dollars (\$5,500) per year.

25 (4) Documentation should be either an official W-2 form from an
26 Arkansas employer reflecting wages of at least five thousand five hundred
27 dollars (\$5,500) in the tax year before enrollment in college or official
28 employer verification of a current year salary minimum of at least five
29 thousand five hundred dollars (\$5,500), which the college shall keep on file
30 for enrollment audit purposes.

31 (e)(1) The Commissioner of the Division of Higher Education shall
32 determine the difference between the amount of tuition revenue that would
33 have been generated by charging the Arkansas Higher Education Coordinating
34 Board-approved out-of-state tuition rate to the students as compared to
35 approved in-state or out-of-district rates.

36 (2) Upon such a determination, the commissioner shall certify to

1 the Chief Fiscal Officer of the State and the Treasurer of State the amounts
2 that are required to be transferred from the fund.

3 (3) Upon receiving the certification, the Chief Fiscal Officer
4 of the State and the Treasurer of State shall cause to be transferred the
5 necessary funds and appropriation to the fund account of the institution
6 receiving the certification from the commissioner.

7
8 19-27-255. Administrative Services – Client Specific Emergency
9 Services Revolving Fund Paying Account.

10 (a) The Office of Finance and Administration of the Department of
11 Human Services is authorized to establish and maintain as a cash fund account
12 the Client Specific Emergency Services Revolving Fund Paying Account
13 consisting of federal grants, aids, cash donations, reimbursements, and state
14 general revenue, not to exceed a daily balance of ten thousand dollars
15 (\$10,000), for delivery of immediate care, short-term, or emergency services
16 to eligible clients.

17 (b) The account shall be established and maintained in accordance with
18 procedures established by the Chief Fiscal Officer of the State for cash
19 funds and shall be administered under the direction of the Secretary of the
20 Department of Human Services.

21
22 19-27-256. EMS Enhancement Revolving Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
25 fund to be known as the “EMS Enhancement Revolving Fund”.

26 (b) The fund shall consist of revenue that may be provided by law.

27 (c) Any funds remaining in the fund at the end of the fiscal year
28 shall be made available for distribution as follows:

29 (1) Fifty percent (50%) of the funds shall be available for
30 distribution to the eligible state-licensed emergency medical services
31 through a grant program managed by the Division of Emergency Medical Services
32 of the Department of Health under § 20-13-103;

33 (2) Ten percent (10%) of the funds shall be authorized for use
34 by the division for administering the grant program prescribed in § 20-13-
35 103, as well as for training, education, equipment, and supplies as needed to
36 maintain staff proficiency in emergency medical services and testing support;

1 (3)(A) Five percent (5%) of the funds shall be authorized for
2 the purposes of upgrading or instituting educational training sites and the
3 increased availability of emergency medical services training programs.

4 (B) The training sites shall meet the certification
5 standards of the division;

6 (4)(A) Ten percent (10%) of the funds shall be authorized for
7 the purpose of instituting special projects managed by the division that are
8 directed toward the improvement of emergency medical services and the
9 presentation of specialized training programs.

10 (B) The programs or projects shall meet the standards set
11 forth in the United States Department of Transportation's National Standard
12 Curriculum of 1998 for Emergency Medical Technician training and approved by
13 the division;

14 (5) Twenty percent (20%) of the funds shall be authorized for
15 the purpose of instituting and maintaining a trauma system and trauma
16 registry; and

17 (6) Five percent (5%) of the funds shall be authorized for use
18 by the division for:

19 (A) Maintaining quality emergency medical services; and

20 (B) Ensuring public safety and proper medical care by
21 inspecting and licensing ambulance services and registering emergency medical
22 services vehicles.

23
24 19-27-257. Highway Safety Special Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
27 fund to be known as the "Highway Safety Special Fund".

28 (b) The Highway Safety Special Fund shall consist of those moneys
29 transferred or deposited from the State Administration of Justice Fund.

30 (c) The Highway Safety Special Fund shall be used for support of
31 programs of the Arkansas Highway Safety Program.

32
33 19-27-258. District Court Judge and District Court Clerk Education
34 Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous

1 fund to be known as the "District Court Judge and District Court Clerk
2 Education Fund".

3 (b) The District Court Judge and District Court Clerk Education Fund
4 shall consist of those moneys transferred or deposited from the State
5 Administration of Justice Fund.

6 (c) The District Court Judge and District Court Clerk Education Fund
7 shall be used for providing continuing education opportunities within the
8 State of Arkansas to district court judges and district court clerks.

9

10 19-27-259. Court Reporter's Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
13 fund to be known as the "Court Reporter's Fund".

14 (b) The Court Reporter's Fund shall consist of those moneys
15 transferred or deposited from the State Administration of Justice Fund.

16 (c) The Court Reporter's Fund shall be used for paying such salaries,
17 transcript fees, and expenses of court reporters as may be provided by law to
18 be paid from state funds, as set out in § 16-13-508 [repealed].

19

20 19-27-260. Arkansas Counties Alcohol and Drug Abuse and Crime
21 Prevention Program Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund to be known as the "Arkansas Counties Alcohol and Drug Abuse and Crime
25 Prevention Program Fund".

26 (b) The Arkansas Counties Alcohol and Drug Abuse and Crime Prevention
27 Program Fund shall consist of those moneys transferred or deposited from the
28 State Administration of Justice Fund, and nonrefundable administrative bail
29 bond fees collected under § 17-19-301(f)(1).

30 (c) The Arkansas Counties Alcohol and Drug Abuse and Crime Prevention
31 Program Fund shall be used exclusively for the establishment and operation of
32 alcohol abuse, drug abuse, and crime prevention programs, and other related
33 purposes in the counties.

34

35 19-27-261. Waterworks Operators Licensing Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
2 fund to be known as the "Waterworks Operators Licensing Fund".

3 (b) The fund shall consist of fines collected under § 17-51-102.

4 (c) The fund shall be used to defray the costs of administering § 17-
5 51-101 et seq.

6

7 19-27-262. Judicial Fine Collection Enhancement Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
10 fund to be known as the "Judicial Fine Collection Enhancement Fund".

11 (b) The fund shall consist of:

12 (1) The time-payment fees established by § 16-13-704;

13 (2) Electronic payment access fees established by § 16-92-118;

14 (3) Court technology fees established by § 21-6-416;

15 (4) Federal court certified question fees and fees for Court of
16 Appeals or Supreme Court decision petitions for rehearing established by §
17 21-6-401(a)(2) and (3), respectively; and

18 (5) Fees for electronic filing and public online access to court
19 decisions and other court records established by § 21-6-401(d).

20 (c) The fund shall be used by the Administrative Office of the Courts
21 for the purchase of computer hardware and software as provided in § 16-13-
22 712.

23

24 19-27-263. Higher Education Consolidation Matching Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
27 fund to be known as the "Higher Education Consolidation Matching Fund".

28 (b) The fund shall consist of funds made available by the General
29 Assembly.

30 (c) The fund shall be used to match documented savings at public
31 institutions of higher education that consolidate or merge as provided in §
32 6-60-102.

33

34 19-27-264. Justice Building Construction Fund.

35 (a) There is created in accordance with §§ 19-4-801 – 19-4-805 and the
36 Revenue Classification Law, § 19-40-101 et seq., a cash fund entitled the

1 "Justice Building Construction Fund", which shall be maintained in such
2 depository bank or banks as may, from time to time, be designated by the
3 Building Authority Division.

4 (b) All moneys transferred to and deposited into the fund, whether
5 pursuant to § 16-10-310 or otherwise, and all income, interest, and earnings
6 thereof, are declared to be cash funds, restricted in their use, and
7 dedicated and are to be used solely for the financing of additions,
8 extensions, and improvements to, the renovation of, and the equipping of such
9 additions, extensions, and improvements of the Arkansas Justice Building
10 situated on the State Capitol grounds. Such cash funds shall not be deemed to
11 be a part of the State Treasury for any purpose, including, without
12 limitation, the provisions of Arkansas Constitution, Article 5, § 29, Article
13 16, § 12, or Amendment 20, or any other constitutional or statutory
14 provision.

15 (c) The fund shall be held and the amounts therein invested by the
16 division in accordance with the authority provided in the Arkansas Justice
17 Building Act, § 22-3-901 et seq. The division may also use the fund to
18 provide for the repayment of obligations issued by the Arkansas Development
19 Finance Authority pursuant to the State Agencies Facilities Acquisition Act
20 of 1991, § 22-3-1401 et seq., to accomplish the purposes specified in
21 subsection (b) of this section and to pay the costs and expenses related to
22 the issuance of such obligations.

23
24 19-27-265. Bail Bondsman Board Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
27 fund to be known as the "Bail Bondsman Board Fund".

28 (b) The fund shall consist of those moneys collected under §§ 17-19-
29 111 and 17-19-301 and other moneys from the collection of fees.

30 (c) The fund shall be used exclusively for the operation of the
31 Professional Bail Bond Company and Professional Bail Bondsman Licensing
32 Board.

33
34 19-27-266. Health Facility Services Revolving Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a special revenue

1 fund to be known as the "Health Facility Services Revolving Fund".

2 (b) The fund shall consist of those fees collected under §§ 17-107-
3 205, 20-7-117(e), 20-9-214(b), 20-9-222, and 20-10-812(a), and deposited as
4 nonrevenue receipts.

5 (c)(1) The fund shall be used by the Division of Health Facility
6 Services of the Department of Health for supporting and operating programs
7 through which fees under §§ 17-107-205, 20-7-117(e), 20-9-214(b), 20-9-222,
8 and 20-10-812(a) were collected.

9 (2) Any unexpended balance in the fund at the end of each state
10 fiscal year shall be carried forward to the next fiscal year to be used for
11 the same intent and purposes as provided in §§ 17-107-205, 20-7-117(e), 20-9-
12 214(b), 20-9-222, and 20-10-812(a).

13

14 19-27-267. Military Support Revolving Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
17 revolving fund to be known as the "Military Support Revolving Fund".

18 (b)(1) The Military Support Revolving Fund shall consist of:

19 (A) All funds provided by law for the Military Support
20 Revolving Fund;

21 (B) All moneys received by the Department of the Military
22 from the United States Army, the United States Air Force, the United States
23 Navy, foreign allied governments, and reserve forces of the United States,
24 allied nations, and other federal agencies; and

25 (C) All federal reimbursements received by the Department
26 of the Military under the Robert T. Stafford Disaster Relief and Emergency
27 Assistance Act, 42 U.S.C. § 5121 et seq., for expenditures from the Military
28 Support Revolving Fund.

29 (2) All reimbursements and payments to the Military Support
30 Revolving Fund from any source shall be considered a refund to expenditures.

31 (c) The Military Support Revolving Fund shall be used by the
32 department to pay reimbursements for periodic, short-term personnel
33 augmentation for National Guard members on state active duty for costs
34 incurred in training activities, which shall include without limitation,
35 goods, supplies, rations, fuel, operating expenses, and related costs and
36 expenses.

1 (d) As federal reimbursements replenish the Military Support Revolving
2 Fund, the department is authorized to return funds, as necessary, to the
3 Special Military Fund.

4
5 19-27-268. Arkansas Real Property Reappraisal Fund.

6 (a)(1) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
8 fund to be known as the "Arkansas Real Property Reappraisal Fund".

9 (2)(A) The fund shall be used to pay counties and professional
10 reappraisal companies for the reappraisal of real property required by § 26-
11 26-1901 et seq. and shall be in lieu of real property reappraisal funding by
12 the local taxing units in each county of this state.

13 (B) There shall be no deduction from the proceeds of the
14 fund to pay any other fees or expenses except as provided in § 26-26-1901 et
15 seq.

16 (b) For cause and after an opportunity for hearing, the Director of
17 the Assessment Coordination Division may suspend or terminate the contract of
18 any appraisal firm or county.

19 (c)(1) The fund proceeds shall be distributed monthly, except when
20 there is a determination by the Assessment Coordination Division that proper
21 reappraisal procedures established by the division are not being followed.

22 (2)(A)(i) Upon a finding by the division that proper reappraisal
23 procedures are not being followed, the county assessor or contractor shall be
24 notified that the reappraisal is out of compliance with accepted guidelines
25 established in § 26-26-1901 et seq. and rules enacted pursuant to § 26-26-
26 1901 et seq.

27 (ii) The division shall notify the county assessor
28 or contractor in writing that the assessor or contractor has thirty (30) days
29 in which to bring the reappraisal into compliance.

30 (B) If there is a further finding that proper reappraisal
31 procedures are not being followed, the contract shall be promptly terminated,
32 and the division shall negotiate another contract and management plan for the
33 completion of the reappraisal project.

34 (d) Based on its expertise and the criteria and requirements set forth
35 in § 26-26-1901 et seq., the division shall establish by rule the findings
36 that indicate that proper reappraisal procedures are not being followed.

1 (e) At the end of each countywide reappraisal, the division shall
2 issue a report of the status of the county.

3
4 19-27-269. Public Roads Incentive Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
7 fund to be known as the "Public Roads Incentive Fund".

8 (b) The fund shall consist of:

9 (1) Contributions made by taxpayers for public roads projects
10 approved by the Director of the Arkansas Economic Development Commission; and

11 (2) Any other funds as are designated or deposited into the fund
12 by law.

13 (c)(1) A separate account shall be established for each project, and
14 contributions for a project shall be applied to provide funding assistance
15 for that project.

16 (2) Any contributions that remain in the fund when a project is
17 completed or terminated shall be held and applied to other public roads
18 projects in the manner that the director determines.

19
20 19-27-270. Breast Cancer Research Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
23 fund to be known as the "Breast Cancer Research Fund".

24 (b) The fund shall consist of:

25 (1) Twenty percent (20%) of those special revenues as specified
26 in § 19-42-201(192);

27 (2) That portion of those special revenues as specified in § 19-
28 42-201(201); and

29 (3) Those general revenues that may be provided by law.

30 (c) The fund shall be used exclusively as provided in § 20-15-1303.

31
32 19-27-271. Breast Cancer Control Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
35 fund to be known as the "Breast Cancer Control Fund".

36 (b) The fund shall consist of:

1 (1) That portion set out in § 26-57-1106 of those special
2 revenues specified in § 19-42-201(192);

3 (2) That portion of those special revenues specified in § 19-42-
4 201(201); and

5 (3) Those general revenues provided by law.

6 (c) The fund shall be used:

7 (1) Exclusively as provided in § 20-15-1304; and

8 (2) At the option of the Department of Health and in amounts not
9 to exceed that appropriated by the General Assembly for such purposes, for
10 cervical cancer.

11
12 19-27-272. Reward Pool Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
15 fund to be known as the "Reward Pool Fund".

16 (b) The fund shall consist of all monetary donations or gifts made by
17 private citizens and corporations.

18 (c) The fund shall be used for the payment of rewards or enhancing
19 state-funded rewards for information leading to the arrest of persons
20 committing arson, as administered by the Governor and as provided in § 5-38-
21 301.

22
23 19-27-273. Youth Services Facilities Needs Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
26 fund to be known as the "Youth Services Facilities Needs Fund".

27 (b) The Youth Services Facilities Needs Fund shall consist of funds
28 transferred to it from the Development and Enhancement Fund and other funds
29 authorized by law.

30 (c) The Youth Services Facilities Needs Fund shall be used for
31 contracts, repairs, acquisition, construction, equipment, and operational
32 expenses to improve the facilities of the Division of Youth Services.

33
34 19-27-274. Building Authority Division Real Estate Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous

1 fund to be known as the "Building Authority Division Real Estate Fund".

2 (b)(1) The Building Authority Division Real Estate Fund shall consist
3 of funds transferred to it from the Development and Enhancement Fund, or
4 other funds, gifts, bequests, foundation grants and gifts, the Governor's
5 Emergency Fund or other emergency funds, federal grants and matching funds,
6 short-term loans and advances, proceeds from bond issues, leases, service
7 charges or fees, interagency transfers of funds, partnerships and debentures,
8 and other funds as may be appropriated by the General Assembly.

9 (2) The Building Authority Division Real Estate Fund shall be
10 used to acquire either by deed or by lease, to own or operate, to maintain,
11 to repair, to renovate, to develop, or to construct real properties,
12 including any necessary demolition and site improvements, for use by state
13 agencies, as defined in § 22-2-102, for capital improvement needs under the
14 jurisdiction of the Building Authority Division.

15

16 19-27-275. Rural Physician Incentive Revolving Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
19 revolving fund to be known as the "Rural Physician Incentive Revolving Fund".

20 (b) Any unexpended balance in the fund at the end of each state fiscal
21 year shall be carried forward to the next fiscal year to be used for the same
22 intent and purpose set forth in § 20-12-501 et seq.

23

24 19-27-276. Department of Labor and Licensing Special Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a special
27 miscellaneous fund to be known as the "Department of Labor and Licensing
28 Special Fund".

29 (b) The Department of Labor and Licensing Special Fund shall consist
30 of:

31 (1) Those special revenues set out in § 19-42-201(25), (36),
32 (72), (112), (158), (180), and (251); and

33 (2) The fee, penalty, and assessment income and all other
34 income, the disposition of which is not otherwise provided by law, of the
35 Department of Labor and Licensing.

36 (c) The Department of Labor and Licensing Special Fund shall be used

1 for the maintenance, operation, and improvements required by the department
2 in carrying out the special revenue programs enumerated in subsection (b) of
3 this section and to defray the costs of the maintenance, operation, and
4 improvements required by the department or the Secretary of the Department of
5 Labor and Licensing in carrying out the functions, powers, and duties imposed
6 by law on the department or the secretary.

7 (d) The secretary, with the approval of the Chief Fiscal Officer of
8 the State, is authorized to transfer funds from the Department of Labor and
9 Licensing Special Fund to the Department of Labor and Licensing Fund Account.

10
11 19-27-277. Arkansas Athletic Commission 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 miscellaneous
14 fund to be known as the "Arkansas Athletic Commission Fund".

15 (b) The fund shall consist of those fees set out in § 17-22-101 et
16 seq.

17 (c) The fund shall be used as provided in § 17-22-101 et seq.

18
19 19-27-278. Computer and Electronic Recycling Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
22 fund to be known as the "Computer and Electronic Recycling Fund".

23 (b) The fund shall be administered by the Division of Environmental
24 Quality and may be used to:

25 (1) Promote market research and development grants to determine
26 the most efficient means of collecting, transporting, and processing scrap
27 electronic equipment;

28 (2) Work with the Department of Finance and Administration and
29 the Marketing and Redistribution Section to establish statewide contracts for
30 computer and electronics recycling and demanufacturing businesses; and

31 (3) Support and fund other measures necessary to implement and
32 promote the recycling, donation, demanufacturing, or disposal options for
33 computers and electronic equipment.

34
35 19-27-279. Arkansas Economic Development Commission Super Projects
36 Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "Arkansas Economic Development Commission Super
4 Projects Fund".

5 (b) The fund shall consist of such funds as may be provided by law.

6 (c) The fund shall be used for economic development super projects of
7 the Arkansas Economic Development Commission.

8

9 19-27-280. Drug Prevention and Intervention Program Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
12 fund to be known as the "Drug Prevention and Intervention Program Fund".

13 (b) The fund shall consist of such revenues authorized by law.

14 (c) The fund shall be used by the Department of Health to fund drug
15 prevention and intervention activities.

16

17 19-27-281. Port Priority Improvement Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "Port Priority Improvement Fund".

21 (b) The fund shall consist of the funds or other moneys that may be
22 deposited into the fund as provided by the General Assembly.

23 (c) The fund shall be used to:

24 (1) Provide financial assistance to public port authorities as
25 set out in the Arkansas Port Priority Improvement Program Act, § 15-23-901 et
26 seq.; and

27 (2) Develop port infrastructure, including paying for associated
28 engineering and construction costs.

29

30 19-27-282. Nonpartisan Filing Fee Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 fund to be known as the "Nonpartisan Filing Fee Fund".

34 (b)(1) The fund shall consist of nonpartisan office filing fees under
35 § 7-10-103.

36 (2) The fund shall be used to cover the cost of election

1 expenses of the State Board of Election Commissioners as set out in § 7-10-
2 103 and for personal services and operating expenses for the State Board of
3 Election Commissioners.

4
5 19-27-283. Educational Adequacy Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
8 fund to be known as the "Educational Adequacy Fund".

9 (b) After the Treasurer of State has made deductions from the revenues
10 under § 19-21-103(b)(2)(A), the Educational Adequacy Fund shall consist of:

11 (1) All net revenues collected due to enactments of the Eighty-
12 Fourth General Assembly meeting in Second Extraordinary Session, unless a
13 different distribution of those additional net revenues is otherwise provided
14 in the act creating those additional net revenues;

15 (2) The revenues credited to the Educational Adequacy Fund under
16 § 26-54-113(b)(2);

17 (3) The revenues generated by § 26-52-302(d), § 26-52-316, § 26-
18 52-317(c)(1)(C), § 26-52-319(a)(2)(C), § 26-53-107(d), § 26-53-145(c)(1)(C),
19 § 26-53-148(a)(2)(C), § 26-56-224(c)(3), and § 26-57-1002(d)(1)(A)(ii); and

20 (4) Other revenues as provided by law.

21 (c)(1) The Chief Fiscal Officer of the State will determine, from time
22 to time, the amount of funds required from the Educational Adequacy Fund
23 which, when added to other resources available to the Division of Elementary
24 and Secondary Education Public School Fund Account of the Public School Fund
25 and the Division of Elementary and Secondary Education Fund Account of the
26 Education Fund, is needed to fulfill the financial obligation of the state to
27 provide an adequate educational system as authorized by law and shall certify
28 the amounts to the Treasurer of State.

29 (2) At the end of each month, the Treasurer of State shall
30 transfer all moneys available from the Educational Adequacy Fund to the
31 Division of Elementary and Secondary Education Public School Fund Account of
32 the Public School Fund and to the Division of Elementary and Secondary
33 Education Fund Account of the Education Fund until the sum of all transfers
34 from the Educational Adequacy Fund equals the amounts determined in
35 subdivision (c)(1) of this section, there to be used as determined by law.

36 (d) In the event the Chief Fiscal Officer of the State determines that

1 the transfers from the Educational Adequacy Fund, when added to the other
2 resources available to the Division of Elementary and Secondary Education
3 Public School Fund Account of the Public School Fund, are not sufficient to
4 meet the state's financial obligation to provide an adequate educational
5 system as authorized by law, the additional amount required shall be
6 transferred from the other funds and fund accounts, except the Educational
7 Facilities Partnership Fund Account, within § 19-23-102 based upon the
8 proportion that each of the remaining funds and fund accounts, excluding the
9 Educational Facilities Partnership Fund Account, bears to the total of the
10 remaining funds and fund accounts in § 19-23-102.

11
12 19-27-284. Area Agencies on Aging Fund.

13 (a)(1) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
15 fund to be known as the "Area Agencies on Aging Fund".

16 (2) The Treasurer of State shall credit to the fund the amount
17 certified each quarter under § 26-51-2507.

18 (b)(1) The Treasurer of State shall distribute moneys in the fund to
19 the Division of Aging, Adult, and Behavioral Health Services of the
20 Department of Human Services to be distributed to the eight (8) area agencies
21 on aging based on the division's funding formula.

22 (2) The division's funding formula shall take into consideration
23 the following factors without limitation:

24 (A) The geographical distribution of the older individuals
25 in the state; and

26 (B) The distribution of the older individuals in the state
27 who have the greatest economic need and social need, with particular
28 consideration of the low-income minority older individuals.

29
30 19-27-285. Purchase and Corporate Travel Card Program Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 revolving fund to be known as the "Purchase and Corporate Travel Card Program
34 Fund".

35 (b) The fund shall be used for rebates from vendor banks, distribution
36 to participating agencies, and operating expenses connected with the

1 administration of the Purchase and Corporate Travel Card Program.

2

3 19-27-286. UAMS Cancer Research Center Matching Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "UAMS Cancer Research Center Matching Fund".

7 (b) The fund shall consist of such revenue as may be authorized by
8 law.

9 (c) The fund shall be used as matching funds for the construction of
10 and endowments for the Arkansas Cancer Research Center of the University of
11 Arkansas for Medical Sciences.

12 (d)(1) The Chief Fiscal Officer of the State shall release funds to
13 the University of Arkansas for Medical Sciences on a matching basis in an
14 amount equal to the amount of grants and donations received as cash, cash
15 equivalent, or an in-kind property pledge enforced by a binding written
16 agreement. The period for which grants and donations shall be counted for
17 matching purposes shall be January 1, 2007 – June 30, 2009.

18 (2) The release of the funds shall be upon documentation
19 demonstrating that the matching requirement has been met. The documentation
20 shall be signed by the Chancellor of the University of Arkansas for Medical
21 Sciences.

22 (3) Requests for the release of funds may be made on a quarterly
23 basis, and pending a favorable review of the documentation by the Chief
24 Fiscal Officer of the State, payments shall be made in the first month
25 following the request.

26

27 19-27-287. Economic Development Incentive Quick Action Closing Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
30 fund to be known as the "Economic Development Incentive Quick Action Closing
31 Fund".

32 (b) The Economic Development Incentive Quick Action Closing Fund shall
33 consist of:

34 (1) Money transferred from the General Revenue Allotment Reserve
35 Fund; and

36 (2) Any other money provided by law.

1 (c) The Economic Development Incentive Quick Action Closing Fund shall
2 be used by the Arkansas Economic Development Commission for investment
3 incentives to compete with other states to attract new business and economic
4 development to the state or to retain existing business in the state.

5 (d) Money from the Economic Development Incentive Quick Action Closing
6 Fund may be used in conjunction with other incentives offered by the state to
7 attract new business or retain existing business.

8 (e)(1) Any proposed use of the Economic Development Incentive Quick
9 Action Closing Fund by the Arkansas Economic Development Commission shall
10 first be approved by the Governor.

11 (2) Upon approval by the Governor, the Governor shall submit the
12 proposed use of the Economic Development Incentive Quick Action Closing Fund
13 for the review of the Legislative Council.

14 (f) The Arkansas Economic Development Commission shall submit an
15 annual written report to the Legislative Council concerning the Economic
16 Development Incentive Quick Action Closing Fund, which shall contain the
17 following:

18 (1) The name and address of the businesses receiving money from
19 the Economic Development Incentive Quick Action Closing Fund;

20 (2) The date, amount, and reason of the disbursements of money
21 from the Economic Development Incentive Quick Action Closing Fund;

22 (3) An evaluation of the effectiveness of the disbursements made
23 from the Economic Development Incentive Quick Action Closing Fund; and

24 (4) Any suggestions for improving the use of the Economic
25 Development Incentive Quick Action Closing Fund.

26
27 19-27-288. Division of Workforce Services Unemployment Insurance
28 Administration Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
31 fund to be known as the "Division of Workforce Services Unemployment
32 Insurance Administration Fund".

33 (b)(1) The fund shall consist of:

34 (A) The proceeds of the administrative assessment as
35 specified in § 11-10-706(c)(2) and any interest accruing on these revenues;
36 and

1 (B) Any other funds made available by the General
2 Assembly.

3 (2) The fund shall be used for personal services and operating
4 expenses of the unemployment insurance program necessary to the proper
5 administration of the Division of Workforce Services Law, § 11-10-101 et
6 seq., including expenses for modernizing information technology systems and
7 hardware utilized in the administration of the unemployment insurance
8 program, as determined by the Director of the Division of Workforce Services.

9 (c) The director shall report to the Legislative Council on a
10 quarterly basis on all uses of the fund.

11
12 19-27-289. Division of Workforce Services Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
15 fund to be known as the "Division of Workforce Services Fund".

16 (b) The fund shall consist of:

17 (1) Those general revenues as may be authorized by law; and

18 (2) Any other nonfederal funds as may be provided by law.

19 (c) The fund shall be used for:

20 (1) The maintenance, operation, and improvement required by the
21 Division of Workforce Services in carrying out those powers, functions, and
22 duties imposed by law upon the Director of the Division of Workforce Services
23 as set out in the Division of Workforce Services Law, § 11-10-101 et seq.,
24 and § 20-76-101 et seq.; or

25 (2) Any other duties that may be imposed by law upon the
26 division.

27
28 19-27-290. Science, Technology, Engineering, and Math Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
31 fund to be known as the "Science, Technology, Engineering, and Math Fund".

32 (b) The fund shall be used for retaining, recruiting, and attracting
33 competent science, technology, engineering, and math teachers by providing
34 industry-competitive income to certified, qualified teachers who teach
35 science, technology, engineering, and math subjects.

36 (c) The fund's balance shall not be reclaimed at the end of the

1 biennium but shall be carried forward for the same use in subsequent years.

2
3 19-27-291. Technology Acceleration Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "Technology Acceleration Fund".

7 (b)(1) The Technology Acceleration Fund shall consist of funds
8 transferred to it from the Development and Enhancement Fund, or other funds,
9 gifts, bequests, foundation grants and gifts, the Governor's Emergency Fund
10 or other emergency funds, federal grants and matching funds, proceeds from
11 bond issues, service charges or fees, interagency transfers of funds, and
12 other funds as may be appropriated by the General Assembly.

13 (2) The Technology Acceleration Fund shall consist of money
14 transferred from the General Revenue Allotment Reserve Fund and any other
15 money provided by law.

16 (c) The Technology Acceleration Fund shall be used by the Arkansas
17 Economic Development Commission and the Arkansas Development Finance
18 Authority for investment incentives to enhance the economy of the state
19 through technology development.

20 (d) Money from the Technology Acceleration Fund may be used in
21 conjunction with other incentives offered by the state to create, attract, or
22 retain business.

23 (e)(1) Any proposed use of the Technology Acceleration Fund by the
24 commission or the authority shall first be approved by the Governor.

25 (2) The commission and the authority shall make a joint
26 recommendation to the Governor for any proposed use of the Technology
27 Acceleration Fund.

28
29 19-27-292. Innovate Arkansas Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
32 fund to be known as the "Innovate Arkansas Fund".

33 (b) The fund shall consist of funds as may be provided for by law.

34 (c) The fund shall be used by the Arkansas Economic Development
35 Commission for the sole support of a contract between the commission and the
36 entity selected to provide support and assistance for development and growth

1 of knowledge-based and technology-based companies in the State of Arkansas.

2
3 19-27-293. Sustainable Building Design Revolving Loan Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "Sustainable Building Design Revolving Loan Fund".

7 (b)(1) The Sustainable Building Design Revolving Loan Fund shall
8 consist of funds transferred to it from the Development and Enhancement Fund,
9 or other funds, gifts, bequests, foundation grants and gifts, the Governor's
10 Emergency Fund or other emergency funds, federal grants and matching funds,
11 proceeds from bond issues, service charges or fees, interagency transfers of
12 funds, and other funds as may be appropriated by the General Assembly.

13 (2) The Sustainable Building Design Revolving Loan Fund shall
14 consist of funds received from agencies, boards, or commissions to repay
15 loans for the Sustainable Building Design Program for State Agencies, funds
16 made available by the General Assembly from time to time, and such revenues
17 as may be authorized by law.

18 (c) The Sustainable Building Design Revolving Loan Fund shall be used
19 to provide loans to agencies for the program as authorized by law and
20 approved by the Chief Fiscal Officer of the State.

21
22 19-27-294. Newborn Umbilical Cord Blood Initiative Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
25 fund to be known as the "Newborn Umbilical Cord Blood Initiative Fund".

26 (b) The fund shall consist of those funds provided by the income tax
27 check-off program pursuant to § 26-51-2508, federal and private grants and
28 donations, and any other funds authorized by law.

29 (c) The fund shall be used for the purposes set forth in the Newborn
30 Umbilical Cord Blood Initiative Act, § 20-8-501 et seq.

31
32 19-27-295. Minority and Women-Owned Business Loan Mobilization
33 Revolving Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
36 fund to be known as the "Minority and Women-Owned Business Loan Mobilization

1 Revolving Fund”.

2 (b) The Minority and Women-Owned Business Loan Mobilization Revolving
3 Fund shall consist of the unexpended fund balances remaining in the Small
4 Business Loan Fund Account of the 82nd Session General Improvement Fund or
5 its successor fund or fund accounts, including the Development and
6 Enhancement Fund, as of the close of business on June 30, 2009, and such
7 other funds as may be authorized by law.

8 (c) All reimbursements, repayments of loans, and interest earned and
9 deposited into the Minority and Women-Owned Business Loan Mobilization
10 Revolving Fund from any source shall be treated as a refund to expenditure.

11 (d) The Minority and Women-Owned Business Loan Mobilization Revolving
12 Fund shall be used to promote the development of minority and women-owned
13 business enterprises in the state, increase the ability of minority and
14 women-owned business enterprises to compete for state contracts, and sustain
15 the economic growth of minority and women-owned business enterprises in the
16 state.

17

18 19-27-296. Trial Court Administrator Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the “Trial Court Administrator Fund”.

22 (b) The Trial Court Administrator Fund shall consist of those moneys
23 transferred from the State Administration of Justice Fund, the first one
24 hundred thousand dollars (\$100,000) collected annually from filing fees for
25 the office of the prosecuting attorney, and other moneys as authorized by
26 law.

27 (c) The Trial Court Administrator Fund shall be used for paying and
28 reimbursing:

- 29 (1) Trial court administrators under § 16-13-3301 et seq.; and
30 (2) Substitute trial court administrators under § 16-10-801 et
31 seq.

32

33 19-27-297. Fire Protection Licensing Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
36 fund to be known as the “Fire Protection Licensing Fund”.

1 (b) The fund shall consist of:

2 (1) All funds provided by law for the fund; and

3 (2) Examination and renewal fees charged pursuant to § 20-22-
4 610.

5 (c) The fund shall be used for maintenance, operation, and improvement
6 as required by the Arkansas Fire Protection Licensing Board in carrying out
7 the powers, functions, and duties as set out in § 20-22-601 et seq.

8

9 19-27-298. Arkansas Acceleration Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
12 fund to be known as the "Arkansas Acceleration Fund".

13 (b) The fund shall consist of:

14 (1) Funds provided by law; and

15 (2) Grants made by any person or federal government agency.

16 (c) The fund shall be used by the Division of Science and Technology
17 of the Arkansas Economic Development Commission to provide support and
18 assistance for the accelerated growth of knowledge-based and high-technology
19 jobs in the State of Arkansas through focused funding of the state
20 initiatives and programs as defined under the Arkansas Acceleration Fund Act,
21 § 15-3-501 et seq.

22

23 19-27-299. Health Information Technology Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
26 fund to be known as the "Health Information Technology Fund".

27 (b)(1) All moneys collected under § 25-42-101 et seq. [repealed] shall
28 be deposited into the State Treasury to the credit of the Health Information
29 Technology Fund as special revenues.

30 (2) The Health Information Technology Fund shall also consist of
31 funds transferred to it from the Development and Enhancement Fund, or other
32 funds, gifts, bequests, foundation grants and gifts, the Governor's Emergency
33 Fund or other emergency funds, federal grants and matching funds, proceeds
34 from bond issues, service charges or fees, interagency transfer of funds, and
35 other funds that may be appropriated by the General Assembly.

36 (c) The Health Information Technology Fund shall be used by the Office

1 of Health Information Technology for the operating expenses of the office and
2 the State Health Alliance for Records Exchange.

3
4 Subchapter 3 – Enumeration of Miscellaneous Funds, Continued

5
6 19-27-301. Arkansas Great Places Program Fund.

7 (a) The Division of Arkansas Heritage may establish in a bank
8 authorized to do business in this state and selected by the division a
9 revolving cash fund entitled “Arkansas Great Places Program Fund” into which
10 the division shall deposit all funds received as matching funds from eligible
11 organizations participating in the Arkansas Great Places Program under § 15-
12 11-801 et seq.

13 (b) The division may receive gifts, grants, bequests, devises, and
14 donations made to the division, amounts received as matching funds from
15 eligible organizations participating in the Arkansas Great Places Program
16 under § 15-11-801 et seq., and any other funds authorized by law to be used
17 in the furtherance of the purposes of the Arkansas Great Places Program under
18 § 15-11-801 et seq.

19 (c) In addition, the division may accept gifts, grants, or donations
20 from the United States Government or agencies thereof, and private
21 individuals, foundations, or concerns to be used for the purposes of the
22 Arkansas Great Places Program under § 15-11-801 et seq.

23
24 19-27-302. County Juror Reimbursement Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
27 fund to be known as the “County Juror Reimbursement Fund”.

28 (b) The County Juror Reimbursement Fund shall consist of those moneys
29 transferred from the State Administration of Justice Fund and other moneys as
30 authorized by law.

31 (c) The County Juror Reimbursement Fund shall be used for
32 reimbursements to counties for a portion of the cost of per diem compensation
33 for jurors and prospective jurors pursuant to § 16-34-106.

34
35 19-27-303. County Voting System Grant Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
2 fund to be known as the "County Voting System Grant Fund".

3 (b) The Secretary of State shall periodically remit to the Treasurer
4 of State the fees the Secretary of State collects associated with the Uniform
5 Commercial Code activity under §§ 4-9-525(a)(1), 4-9-525(a)(3), and 4-9-
6 525(b)-(d), and the Treasurer of State shall deposit those funds into the
7 County Voting System Grant Fund.

8 (c) The County Voting System Grant Fund shall be used by the Secretary
9 of State to provide grants to counties to purchase voting system equipment,
10 programming, and maintenance.

11 (d) A county that receives a grant from the County Voting System Grant
12 Fund shall establish on the books of the county treasurer a fund to be known
13 as the "voting system grant fund" into which grants from the Secretary of
14 State shall be paid under this section.

15 (e) The County Voting System Grant Fund may be used by the Secretary
16 of State to issue refunds and reimbursements of fees collected for the grant
17 program described in § 7-5-301(d)(2).

18

19 19-27-304. Alternative Motor Fuel Development Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
22 fund to be known as the "Alternative Motor Fuel Development Fund".

23 (b) The fund shall consist of:

24 (1) Grants made by a person, entity, or federal government
25 agency;

26 (2) Other funds that become available through energy programs;

27 (3) Any remaining fund balances carried forward from year to
28 year; and

29 (4) Any other funds authorized or provided by law.

30 (c) The fund shall be used by the Division of Environmental Quality to
31 provide rebates and incentives under the Arkansas Alternative Motor Fuel
32 Development Act, § 15-10-901 et seq.

33 (d) Moneys remaining in the fund at the end of each fiscal year shall
34 carry forward and be made available for the purposes stated in this section
35 in the next fiscal year.

36

1 19-27-305. Open Enrollment Public Charter School Capital Grant Program
2 Fund.

3 (a) There is created on the books of the Treasurer of State, the
4 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
5 fund to be known as the "Open Enrollment Public Charter School Capital Grant
6 Program Fund".

7 (b) The fund shall consist of those general revenues as may be
8 authorized by law and other nonfederal funds as may be provided by law.

9 (c) The fund shall be used for distributing grants for programs
10 providing assistance to open enrollment public charter schools concerning
11 academic facilities and equipment and the repayment of debt incurred relating
12 to academic facilities and equipment under the Open Enrollment Public Charter
13 School Capital Grant Program established in § 6-23-801 et seq., and as may
14 otherwise be provided by law.

15

16 19-27-306. Open-Enrollment Public Charter School Facilities Loan Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of the State, and the Chief Fiscal Officer of the State a
19 miscellaneous fund to be known as the "Open-Enrollment Public Charter School
20 Facilities Loan Fund".

21 (b) The fund shall consist of:

22 (1) General revenues as may be authorized by law;

23 (2) Grants received by the Division of Public School Academic
24 Facilities and Transportation for the purpose of providing open-enrollment
25 public charter school facilities assistance, including grants from the United
26 States Department of Education;

27 (3) Donations or bequests received by the division for the
28 purpose of starting, augmenting, or replenishing the fund;

29 (4) Revenues received from open-enrollment public charter
30 schools for the repayment of a loan granted under the Open-Enrollment Public
31 Charter School Facilities Loan Fund program; and

32 (5) Other revenues as may be provided by law.

33 (c) The fund shall be used for distributing loans to open-enrollment
34 public charter schools for the purposes of the construction, lease, or
35 purchase of an academic facility, the repair, improvement, or addition to an
36 academic facility, and enhancing credit for financing purposes under § 6-23-

1 701 et seq., and as may be otherwise provided by law.

2

3 19-27-307. Safe Harbor Fund for Sexually Exploited Children –
4 Definition.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
7 fund to be known as the “Safe Harbor Fund for Sexually Exploited Children”.

8 (b) The fund shall consist of fines collected under § 5-18-103(d), §
9 5-18-104(c), § 5-18-106(c), § 5-18-107(f), § 5-70-102(e), § 5-70-103(d), § 5-
10 70-104(c), § 5-70-105(c), § 5-70-106(c), and § 5-70-107(e) and any other
11 revenues authorized by law.

12 (c)(1) The fund shall be administered by the Department of Human
13 Services.

14 (2) The department shall use the fund to provide:

15 (A) Services and treatment, such as securing residential
16 housing, health services, and social services for sexually exploited
17 children;

18 (B) Grants to service providers working with sexually
19 exploited children; and

20 (C) For the management and operation of the fund.

21 (d) As used in this section, “sexually exploited child” means a person
22 less than eighteen (18) years of age who has been subject to sexual
23 exploitation because the person:

24 (1) Is a victim of trafficking of persons under § 5-18-103;

25 (2) Is a victim of child sex trafficking under 18 U.S.C. § 1591,
26 as it existed on January 1, 2013; or

27 (3) Engages in an act of prostitution under § 5-70-102 or sexual
28 solicitation under § 5-70-103 or § 5-70-107.

29

30 19-27-308. Arkansas Port, Intermodal, and Waterway Development Grant
31 Program Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
34 fund to be known as the “Arkansas Port, Intermodal, and Waterway Development
35 Grant Program Fund”.

36 (b) The fund shall consist of:

- 1 (1) The funds specified under § 26-26-1616(d);
2 (2) Grants made by any person or federal government agency; and
3 (3) Any other funds authorized by law.

4 (c) The fund shall be used by the Arkansas Waterways Commission to
5 provide grants to port authorities and intermodal authorities under the
6 Arkansas Port, Intermodal, and Waterway Development Grant Program established
7 under § 15-23-205.

8 (d) Any unexpended balance in the fund at the end of each state fiscal
9 year shall be carried forward to the next fiscal year to be used for the same
10 intent and purpose stated in this section.

11

12 19-27-309. New Markets Performance Guarantee Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
15 fund to be known as the "New Markets Performance Guarantee Fund".

16 (b) The fund shall consist of:

- 17 (1) Fees paid under § 15-4-3609;
18 (2) Grants made by a person, organization, or federal or state
19 government agency; and

20 (3) Any other funds provided by law.

21 (c) The fund shall be used by the Arkansas Economic Development
22 Commission to guarantee qualified community development entities' performance
23 under the New Markets Jobs Act of 2013, § 15-4-3601 et seq.

24

25 19-27-310. Arkansas Unpaved Roads Program Fund.

26 (a) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
28 fund to be known as the "Arkansas Unpaved Roads Program Fund".

29 (b) The fund shall consist of:

- 30 (1) Grants made by any person, state agency, or federal
31 government agency;
32 (2) Donations made by private persons or entities;
33 (3) Any remaining fund balances carried forward from year to
34 year; and

35 (4) Any other funds authorized or provided by law.

36 (c) The fund shall be used by the Department of Agriculture to award

1 grants to counties under the Arkansas Unpaved Roads Program Act, § 14-305-101
2 et seq.

3 (d) Moneys remaining in the fund at the end of each fiscal year shall
4 carry forward and be made available for the purposes stated in this section
5 in the next fiscal year.

6

7 19-27-311. Arkansas Wireless Information Network Financing Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
10 fund to be known as the "Arkansas Wireless Information Network Financing
11 Fund".

12 (b) The fund shall consist of bond revenues, driver's license fees,
13 general revenues, and other moneys as authorized by law.

14 (c) The fund shall be used for maintenance, repair, upkeep,
15 replacement, contracting expenses, and tower repair and replacement for the
16 Arkansas Wireless Information Network.

17

18 19-27-312. Workforce Initiative Act of 2015 Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
21 fund to be known as the "Workforce Initiative Act of 2015 Fund".

22 (b) The fund shall consist of those general revenues as may be
23 authorized by law and other nonfederal funds as may be provided by law.

24 (c) The fund shall be used by the Division of Higher Education for
25 distributing grants to programs identified under § 6-60-107.

26

27 19-27-313. Future Transportation Research and Workforce Development
28 Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
31 fund to be known as the "Future Transportation Research and Workforce
32 Development Fund".

33 (b) The Future Transportation Research and Workforce Development Fund
34 shall consist of:

35 (1) If available after the deposit of the funds required under §
36 14-143-130, interest income received under § 27-70-204 up to a maximum amount

1 of five hundred thousand dollars (\$500,000) each year from the Arkansas
2 Department of Transportation Fund; and

3 (2) Any other revenues authorized by law.

4 (c) The Future Transportation Research and Workforce Development Fund
5 shall be used by the Arkansas Department of Transportation for distributing
6 grants under the Transportation-Related Research and Workforce Development
7 Grant Program, § 27-65-145.

8

9 19-27-314. Mandatory Publication Reimbursement Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
12 fund to be known as the "Mandatory Publication Reimbursement Fund".

13 (b) The fund shall consist of reimbursements to the Secretary of State
14 for mandatory publication of petitions and measures under § 7-9-113.

15

16 19-27-315. Arkansas Children's Advocacy Center Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
19 fund to be known as the "Arkansas Children's Advocacy Center Fund".

20 (b) The fund shall consist of:

21 (1) The fines specified under §§ 5-4-703, 27-50-306, and 27-51-
22 217;

23 (2) Grants or donations made by a person, state agency, or
24 federal government agency; and

25 (3) Any other funds authorized or provided by law.

26 (c) The fund shall be used by the Arkansas Child Abuse/Rape/Domestic
27 Violence Commission as provided in § 9-5-106 and as provided by any other
28 provisions of law.

29

30 19-27-316. Human Trafficking Victim Support Fund – Definition.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 fund to be known as the "Human Trafficking Victim Support Fund".

34 (b) The fund shall consist of fees collected under § 5-5-501(d), fines
35 collected under § 5-18-103(d), § 5-18-104(c), § 5-18-106(c), § 5-18-107(f), §
36 5-70-102(e), § 5-70-103(d), § 5-70-104(c), § 5-70-105(c), § 5-70-106(c), and

1 § 5-70-107(e), and any other revenues authorized by law.

2 (c)(1) The fund shall be administered by the Attorney General.

3 (2) The Attorney General shall use the fund to provide:

4 (A) Grants to nonprofit, religious, and other third-party
5 organizations that provide services and treatment, such as securing
6 residential housing, health services, and social services for victims of
7 human trafficking;

8 (B) Training and education related to human trafficking to
9 law enforcement; and

10 (C) For the management and operation of the fund.

11 (d) As used in this section, "victim of human trafficking" means a
12 person who has been subject to sexual exploitation because the person:

13 (1) Is a victim of trafficking of persons under § 5-18-103;

14 (2) Is a victim of child sex trafficking under 18 U.S.C. § 1591,
15 as it existed on January 1, 2017; or

16 (3) Engages in an act of prostitution under § 5-70-102 or sexual
17 solicitation under § 5-70-103 or § 5-70-107.

18
19 19-27-317. Restricted Reserve Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
22 fund to be known as the "Restricted Reserve Fund".

23 (b) The Restricted Reserve Fund shall consist of:

24 (1) Funds transferred from the Catastrophic Reserve Fund;

25 (2) Interagency transfers of funds or fund accounts to the
26 Restricted Reserve Fund;

27 (3) Any revenues provided by law; and

28 (4) Any other funds and fund transfers provided for by law.

29 (c) For the purpose of and after meeting the requirements of
30 subsection (d) of this section, the Chief Fiscal Officer of the State may
31 from time to time transfer on his or her books and those of the Treasurer of
32 State and the Auditor of State funds from the Restricted Reserve Fund to one
33 (1) or more general revenue operating funds or fund accounts, the
34 Miscellaneous Agencies Fund Account, the Arkansas Department of
35 Transportation for state matching funds, the State Central Services Fund, the
36 Development and Enhancement Fund, and any fund, fund account, or

1 appropriations authorized by the General Assembly upon prior approval of the
2 greater of three-fifths (3/5) of the quorum present or a majority of the
3 membership of the Legislative Council or, if the General Assembly is in
4 session, the Joint Budget Committee.

5 (d)(1) If at any time during the fiscal year a department, state
6 agency, board, commission, state institution of higher education, or
7 constitutional officer determines that it is necessary to perform its duties
8 or is in the best interest of the citizens of the State of Arkansas to
9 request a transfer from the Restricted Reserve Fund, that entity shall submit
10 a detailed request in writing to the Chief Fiscal Officer of the State
11 stating:

- 12 (A) The need and purpose of the transfer;
- 13 (B) Efforts to find efficiencies and savings prior to
14 making the request;
- 15 (C) Current year-to-date budget and expenditures by line
16 item; and
- 17 (D) A detailed line item budget reflecting proposed
18 expenditures in the amount requested.

19 (2) The Chief Fiscal Officer of the State may request additional
20 information to make a determination and may then approve, modify, or deny the
21 request.

22 (3) Upon the determination by the Chief Fiscal Officer of the
23 State that a transfer is necessary, the Chief Fiscal Officer of the State
24 shall submit the entity's request and his or her recommendation for approval
25 as required in subsection (c) of this section.

26 (e) The funds available in the Restricted Reserve Fund may be
27 transferred as provided in § 19-21-102(b)(2)(B)(iii).

28

29 19-27-318. Arkansas River Navigation System Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
32 fund to be known as the "Arkansas River Navigation System Fund".

33 (b) The fund shall consist of:

- 34 (1) Grants made by any person or federal government agency;
- 35 (2) Any remaining fund balances carried forward from year to
36 year; and

1 (3) Any other funds authorized or provided by law.

2 (c) The fund shall be used by the Arkansas Waterways Commission to
3 develop, improve, and expand river transportation resources within the
4 portion of the McClellan-Kerr Arkansas River Navigation System located in the
5 State of Arkansas.

6

7 19-27-319. Graduate Medical Education Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
10 fund to be known as the "Graduate Medical Education Fund".

11 (b) The fund shall consist of:

12 (1) Gifts, grants, and donations;

13 (2) Any revenues provided by law; and

14 (3) Any other funds and fund transfers authorized or provided
15 for by law.

16 (c)(1) The fund shall be administered by the Division of Higher
17 Education as provided in § 6-82-2001 et seq., and as provided by any other
18 relevant provisions of law.

19 (2) The moneys in the fund shall be disbursed at the direction
20 of the Graduate Medical Education Residency Expansion Board as provided under
21 § 6-82-2001 et seq.

22

23 19-27-320. Immediate Disaster Response Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
26 revolving fund to be known as the "Immediate Disaster Response Fund".

27 (b) Reimbursements received from any federal, state, or local
28 government agency or other states shall be deposited into the State Treasury
29 to the fund as a refund to expenditure.

30 (c) The fund shall consist of such revenue as may be authorized by
31 law.

32 (d) The fund shall be used by the Division of Emergency Management
33 for immediate costs of disasters within the state and to assist other states
34 in disaster response requests.

35

36 19-27-321. COVID-19 Rainy Day Fund – Definition.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "COVID-19 Rainy Day Fund".

4 (b) The COVID-19 Rainy Day Fund shall consist of:

5 (1) Funds transferred from the General Revenue Allotment Reserve
6 Fund to the COVID-19 Rainy Day Fund;

7 (2) Any revenues provided by law; and

8 (3) Any fund or fund account transfers provided for by law.

9 (c) The Chief Fiscal Officer of the State shall use the COVID-19 Rainy
10 Day Fund for transfers to provide funding for one (1) or more appropriations
11 authorized by the General Assembly and to offset general revenue reductions,
12 funding needs, and unanticipated needs created by the coronavirus 2019
13 (COVID-19) crisis.

14 (d)(1) Notwithstanding any other provisions of law, the release of any
15 funds from the COVID-19 Rainy Day Fund shall require prior approval, as
16 defined in this subsection, of the:

17 (A) Speaker of the House of Representatives or his or her
18 designee;

19 (B) Majority party leader of the House of Representatives
20 or his or her designee;

21 (C) Minority party leader of the House of Representatives
22 or his or her designee;

23 (D) President Pro Tempore of the Senate or his or her
24 designee;

25 (E) Majority party leader of the Senate or his or her
26 designee; and

27 (F) Minority party leader of the Senate or his or her
28 designee.

29 (2)(A) The Secretary of the Department of Finance and
30 Administration shall notify the Speaker of the House of Representatives, the
31 President Pro Tempore of the Senate, and all other members of the General
32 Assembly of a request for the release of funds from the COVID-19 Rainy Day
33 Fund.

34 (B)(i) The Speaker of the House of Representatives and the
35 President Pro Tempore of the Senate shall communicate the request to the
36 respective majority party leader and respective minority party leader.

1 (ii) If a majority party leader or a minority party
2 leader is unavailable or recuses from the vote, the Speaker of the House of
3 Representatives and the President Pro Tempore of the Senate shall contact the
4 non-responding majority party leader's designee or non-responding minority
5 party leader's designee.

6 (3)(A) As used in this section, "prior approval" means:

7 (i) At least two (2) members listed in subdivision
8 (d)(1) of this section from the House of Representatives and two (2) members
9 listed in subdivision (d)(1) of this section from the Senate approve the
10 release of funds from the COVID-19 Rainy Day Fund; and

11 (ii) The written or electronic approval by the two
12 (2) members listed in subdivision (d)(1) of this section from the House of
13 Representatives and by the two (2) members listed in subdivision (d)(1) of
14 this section from the Senate occurs within two (2) hours after the members
15 received written or electronic notification of the request by the Speaker of
16 the House of Representatives or the President Pro Tempore of the Senate.

17 (B) In the event the majority party leader or the minority
18 party leader is not available within two (2) hours after the notification has
19 been given or has recused, the Speaker of the House of Representatives or the
20 President Pro Tempore of the Senate shall contact the non-responding majority
21 party leader's designee or non-responding minority party leader's designee
22 and the designee shall either be immediately available or is deemed to vote
23 for approval of the release of funds from the COVID-19 Rainy Day Fund.

24 (4)(A) The action taken under this subsection shall be reported
25 to the members of the General Assembly.

26 (B) The report shall include:

27 (i) Remaining balances in the COVID-19 Rainy Day
28 Fund;

29 (ii) Total amount released to date; and

30 (iii) The amount of each prior release and the
31 purpose of the release.

32 (e) Determining the general revenue funding for a state agency each
33 fiscal year is the prerogative of the General Assembly. This is usually
34 accomplished by delineating such maximums for a state agency with general
35 revenue allocations authorized for each fund and fund account by amendment to
36 the Revenue Stabilization Law, § 19-20-101 et seq. Further, the General

1 Assembly has determined that the various state agencies may operate more
2 efficiently if some flexibility is provided authorizing broad powers under
3 this section. Therefore, it is both necessary and appropriate that the
4 General Assembly maintain oversight by requiring prior approval as set out in
5 subsection (d) herein, by this section. The requirement of approval as set
6 out in subsection (d) of this section is not a severable part of this
7 section. If the requirement of approval as set out in subsection (d) of this
8 section is ruled unconstitutional by a court of competent jurisdiction, this
9 entire section is void.

10
11 19-27-322. Skills Development 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 miscellaneous
14 fund to be known as the "Skills Development Fund".

15 (b) The fund shall consist of:

16 (1) General revenues authorized by law;

17 (2) Moneys obtained from private grants or other sources that
18 are designated to be credited to the fund; and

19 (3) Any other revenues authorized by law.

20 (c) The fund shall be used by the Office of Skills Development as
21 provided in § 25-30-109.

22
23 19-27-323. Arkansas Foresters for the Future Scholarship Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
26 fund to be known as the "Arkansas Foresters for the Future Scholarship Fund".

27 (b) The Arkansas Foresters for the Future Scholarship Fund shall
28 consist of:

29 (1) Moneys received and deposited into the State Forestry Fund
30 under § 15-31-108 that are equal to the cost of the Arkansas Foresters for
31 the Future Scholarship each academic semester; and

32 (2) Special revenue funds.

33 (c) The Arkansas Foresters for the Future Scholarship Fund shall be
34 administered by the Department of Agriculture, Forestry office, as provided
35 in the Arkansas Foresters for the Future Scholarship Program Act of 2021, §
36 6-82-2101 et seq., and as provided by any other relevant provisions of law.

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19-27-324. State Meat Inspection Program Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "State Meat Inspection Program Fund".

(b) The fund shall consist of:

(1) Fees collected under § 20-60-212;

(2) Moneys obtained from federal grants or other sources that are designated to be credited to the fund;

(3) Gifts, grants, and other moneys both public and private; and

(4) Other revenues as may be authorized by law.

(c) The fund shall be used by the Department of Agriculture for expenses of the State Meat Inspection Program.

19-27-325. Automotive Technologist Education Grant Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Automotive Technologist Education Grant Fund".

(b) The Arkansas Motor Vehicle Commission shall periodically remit to the Treasurer of State five percent (5%) of the fees the commission collects from the issuance of licenses by the commission, and the Treasurer of State shall deposit those funds into the Automotive Technologist Education Grant Fund.

(c) The commission may receive gifts, grants, bequests, devises, and donations made to the commission, amounts received as matching funds from eligible organizations participating in the Automotive Technologist Education Grant Program under § 23-112-207, and any other funds authorized by law to be used in the furtherance of the purposes of the program.

(d) In addition, the commission:

(1) May accept gifts, grants, or donations from the United States Government or agencies of the United States Government and private individuals, foundations, or concerns to be used for the purposes of the program; and

(2)(A) Except as provided in subdivision (d)(2)(B) of this section, shall at the end of each fiscal year in addition to its contribution under subsection (b) of this section, fund the amount necessary to increase

1 the Automotive Technologist Education Grant Fund balance to two hundred fifty
2 thousand dollars (\$250,000).

3 (B) Funding provided by the commission under subdivision
4 (d)(2)(A) of this section shall not exceed the amount necessary for the
5 commission to retain three (3) years of its running average operating
6 expenses.

7 (e) The Automotive Technologist Education Grant Fund may be used by
8 the commission to issue Automotive Technologist Education Grants for the
9 program.

10

11 19-27-326. Agri Fair 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 miscellaneous
14 fund to be known as the "Agri Fair Fund".

15 (b) The Agri Fair Fund shall consist of:

16 (1) General revenues appropriated to:

17 (A) Agriculture show premiums, refunds, and

18 reimbursements;

19 (B) County fair improvement grants; and

20 (C) Community improvement grants, county fairs, and

21 rodeos; and

22 (2) Other revenues as authorized by law.

23 (c) The Agri Fair Fund shall be used by the Department of Agriculture
24 for:

25 (1) Grants and aid under § 2-36-101; and

26 (2) Personal services and operating expenses of the department.

27

28 19-27-327. Electric Vehicle Infrastructure Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
31 fund to be known as the "Electric Vehicle Infrastructure Fund".

32 (b) The fund shall consist of:

33 (1) General revenues authorized by law;

34 (2) Moneys obtained from private grants or other sources that
35 are designated to be credited to the fund; and

36 (3) Any other revenues authorized by law.

1 (c) The fund shall be used by the Secretary of the Department of
2 Energy and Environment as provided in § 15-10-101.

3
4 19-27-328. Public Safety Equipment Grant Program Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
7 fund to be known as the "Public Safety Equipment Grant Program Fund".

8 (b) The fund shall consist of:

9 (1) General revenues authorized by law;

10 (2) Moneys obtained from private grants or other sources that
11 are designated to be credited to the fund; and

12 (3) Any other revenues authorized by law.

13 (c) The fund shall be used by the Secretary of the Department of
14 Public Safety as provided in § 12-1-103.

15
16 19-27-329. Philanthropic Investment in Arkansas Kids Academic
17 Accountability Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "Philanthropic Investment in Arkansas Kids Academic
21 Accountability Fund".

22 (b) The fund shall consist of:

23 (1) Moneys obtained from private or public grants, gifts, or
24 donations that are designated to be credited to the fund; and

25 (2) Any other funds authorized or provided by law.

26 (c) The fund shall be used by the Division of Elementary and Secondary
27 Education to create and maintain the Philanthropic Investment in Arkansas
28 Kids Program under the Philanthropic Investment in Arkansas Kids Program Act,
29 § 6-18-2301 et seq.

30 (d) Moneys remaining in the fund at the end of each fiscal year shall
31 carry forward and be made available for the purposes stated in this section
32 in the next fiscal year.

33
34 19-27-330. ARSafeSchools Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous

1 fund to be known as the “ARSafeSchools Fund”.

2 (b) The fund shall consist of:

3 (1) Moneys obtained from private grants or other sources that
4 are designated to be credited to the fund; and

5 (2) Any other funds authorized or provided by law.

6 (c) The fund shall be used by the University of Arkansas for Medical
7 Sciences Psychiatric Research Institute solely to create and maintain the
8 ARSafeSchools school safety and crisis line under § 6-18-111.

9 (d) Moneys remaining in the fund at the end of each fiscal year shall
10 carry forward and be made available for the purposes stated in this section
11 in the next fiscal year.

12 (e) The University of Arkansas for Medical Sciences Psychiatric
13 Research Institute is not required to implement provisions of this section if
14 the ARSafeSchools school safety and crisis line under § 6-18-111 is not
15 funded.

16 (f)(1) The University of Arkansas for Medical Sciences Psychiatric
17 Research Institute shall submit an annual report containing the following
18 information to the Legislative Council or, if the General Assembly is in
19 session, the Joint Budget Committee:

20 (A) The balance of the fund as of the reporting date;

21 (B) A list of administrative costs paid for from the fund,
22 including without limitation salaries, pensions, and packages;

23 (C) The total revenue received by the fund during the
24 reporting period; and

25 (D) A detailed description of steps taken to create and
26 implement the ARSafeSchools school safety and crisis line.

27 (2) The annual report required under this subsection shall be
28 submitted by January 1 and July 1 of each year.

29

30 19-27-331. Arkansas Children’s Educational Freedom Account Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
33 fund to be known as the “Arkansas Children’s Educational Freedom Account
34 Fund”.

35 (b)(1) Notwithstanding any other provisions of law, for fiscal year
36 2024 and each fiscal year thereafter, in addition to all other amounts

1 required under the Arkansas Children's Educational Freedom Account Program,
2 the Department of Education shall include in its annual budget request
3 submitted under § 19-4-301 et seq., and the Governor shall include in each
4 recommendation submitted to the General Assembly under § 19-4-201, an
5 appropriation to the Department of Education, Division of Elementary and
6 Secondary Education, for the greater of an amount not less than two percent
7 (2%) of:

8 (A) Net public school enrollment adjusted for state
9 foundation funding aid purposes; or

10 (B) The total number of eligible program applications
11 received by the division, if available, multiplied by the prior year's
12 statewide net foundation funding aid allotted per student.

13 (2) The amount appropriated under subdivision (b)(1) of this
14 section shall be transferred by the division to the fund to be used solely to
15 meet the obligations required under the program, except as otherwise provided
16 in this section.

17 (3) The Governor shall include a recommendation, as required
18 under § 19-4-201, that the total amount of funds appropriated to the division
19 that was not transferred to the fund during the previous fiscal year due to
20 an accumulated balance from previous fiscal years as provided under
21 subsection (c) of this section be reappropriated for the subsequent fiscal
22 year.

23 (c) Each fiscal year, the amount required to be requested and
24 recommended for appropriation under subsection (b) of this section shall be
25 reduced by the sum of:

26 (1) Any unused, accumulated amounts transferred to the fund due
27 to the requirements under this subsection from previous fiscal years; and

28 (2) Any unused appropriations made to the department due to the
29 requirements under this subsection that were not transferred to the fund due
30 to an accumulated balance from previous fiscal years.

31
32 19-27-332. Literacy Tutoring Grant Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
35 fund to be known as the "Literacy Tutoring Grant Fund".

36 (b) The fund shall consist of:

1 (1) Moneys obtained from private or public grants, gifts, or
2 donations that are designated to be credited to the fund; and

3 (2) Any other funds authorized or provided by law.

4 (c) The fund shall be used by the Division of Elementary and Secondary
5 Education to create and maintain a literacy tutoring grant program under the
6 Right to Read Act, § 6-17-429.

7 (d) Moneys remaining in the fund at the end of each fiscal year shall
8 carry forward and be made available for the purposes stated in this section
9 in the next fiscal year.

10
11 19-27-333. Arkansas Teacher Academy Scholarship 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 miscellaneous
14 fund to be known as the "Arkansas Teacher Academy Scholarship Program Fund".

15 (b) The fund shall consist of funds authorized or provided by law.

16 (c) The fund shall be used by the Division of Higher Education to
17 create and maintain the Arkansas Teacher Academy Scholarship Program Act, §
18 6-82-2201 et seq., which shall include only the following expenses:

19 (1) Reimbursing an eligible postsecondary institution for
20 Arkansas Teacher Academy scholarships distributed under the Arkansas Teacher
21 Academy Scholarship Program Act, § 6-82-2201 et seq., that cover the balance
22 of tuition and fees for undergraduate, graduate, and postbaccalaureate
23 students who are enrolled in an academy after all other financial gifts,
24 financial aid, and grants have been received by academy attendees enrolled in
25 an academy at eligible postsecondary institutions;

26 (2) Supporting academy attendees who are currently employed by a
27 public school district in the state;

28 (3) Conducting induction services for academy graduates; and

29 (4)(A) Implementing a marketing and promotion plan to recruit
30 and retain students and teachers in the academy with particular emphasis on:

31 (i) Prioritizing academy attendees who reflect the
32 diversity of the state's student and teacher population; and

33 (ii) Administering the academy.

34 (B) However, annual expenditures for funds expended under
35 subdivision (c)(4)(A) of this section shall not exceed three percent (3%) of
36 moneys in the fund each fiscal year.

1 (d) Moneys remaining in the fund at the end of each fiscal year may be
2 used by an eligible postsecondary institution for academy costs in the next
3 fiscal year.

4
5 19-27-334. Teacher Minimum Salary and Raise Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
8 fund within the Public School Fund to be known as the "Teacher Minimum Salary
9 and Raise Fund".

10 (b) The fund shall consist of:

11 (1) Moneys obtained from private or public grants, gifts, or
12 donations that are designated to be credited to the fund; and

13 (2) Any other moneys authorized or provided by law.

14 (c) The fund shall be used by the Department of Education to maintain
15 and distribute revenue authorized under § 6-17-2403 for teacher minimum
16 salary levels and teacher raises.

17 (d) Moneys remaining in the fund at the end of each fiscal year shall
18 carry forward and be made available for the purposes stated in this section
19 in the next fiscal year.

20
21 19-27-335. Merit Teacher Incentive Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund within the Public School Fund to be known as the "Merit Teacher
25 Incentive Fund".

26 (b) The fund shall consist of:

27 (1) Moneys obtained from private or public grants, gifts, or
28 donations that are designated to be credited to the fund; and

29 (2) Any other funds authorized or provided by law.

30 (c) The fund shall be used by the Division of Elementary and Secondary
31 Education to create and maintain the Merit Teacher Incentive Fund Program
32 moneys.

33 (d) Moneys remaining in the fund at the end of each fiscal year shall
34 carry forward and be made available for the purposes stated in this section
35 in the next fiscal year.

36

1 19-27-336. Violent Crime Clearance Grant Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
4 fund to be known as the "Violent Crime Clearance Grant Fund".

5 (b) The fund shall consist of:

6 (1) Moneys obtained from private grants or other sources that
7 are designated to be credited to the fund; and

8 (2) Any other revenues authorized by law.

9 (c) The fund shall be used by the Secretary of the Department of
10 Public Safety as provided in § 12-6-801 et seq. to fund grant awards.

11

12 19-27-337. Agri Scholarship Program Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
15 fund to be known as the "Agri Scholarship Program Fund".

16 (b) The fund shall consist of:

17 (1) Moneys obtained from private or public grants, gifts, or
18 donations that are designated to be credited to the fund; and

19 (2) Any other funds authorized or provided by law.

20 (c) The fund shall be used by the Department of Agriculture to create
21 and maintain the Agri Scholarship Program under § 25-38-212.

22 (d) Moneys remaining in the fund at the end of each fiscal year shall
23 carry forward and be made available for the purposes stated in this section
24 in the next fiscal year.

25

26 19-27-338. Imagination Library of Arkansas Program Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
29 fund to be known as the "Imagination Library of Arkansas Program Fund".

30 (b) The fund shall consist of:

31 (1) Moneys obtained from private or public grants, gifts, or
32 donations that are designated to be credited to the fund; and

33 (2) Any other funds authorized or provided by law.

34 (c) The fund shall be used by the Department of Education to create
35 and maintain the Imagination Library of Arkansas Program under § 13-2-107.

36 (d) Moneys remaining in the fund at the end of each fiscal year shall

1 carry forward and be made available for the purposes stated in this section
2 in the next fiscal year.

3
4 19-27-339. Sustainable Building Maintenance Program for State-
5 Supported Institutions of Higher Education Revolving Loan Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
8 fund to be known as the "Sustainable Building Maintenance Program for State-
9 Supported Institutions of Higher Education Revolving Loan Fund".

10 (b) The Sustainable Building Maintenance Program for State-Supported
11 Institutions of Higher Education Revolving Loan Fund shall consist of:

12 (1) General revenues authorized by law;

13 (2) Funds transferred to it from the Development and Enhancement
14 Fund;

15 (3) Other funds, gifts, bequests, foundation grants and gifts,
16 the Governor's Emergency Fund or other emergency funds, federal grants and
17 matching funds, proceeds from bond issues, services charges or fees, and
18 interagency transfers of funds; and

19 (4) Funds received from state-supported institutions of higher
20 education to repay loans for the Sustainable Building Maintenance Program for
21 State-Supported Institutions of Higher Education, § 6-62-1201 et seq.

22 (c) The Sustainable Building Maintenance Program for State-Supported
23 Institutions of Higher Education Revolving Loan Fund shall be used to provide
24 loans to state-supported institutions of higher education for the program as
25 authorized under § 6-62-1201 et seq. and approved by the Arkansas Higher
26 Education Coordinating Board.

27
28 19-27-340. Fire Services Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
31 fund to be known as the "Fire Services Fund".

32 (b) The Fire Services Fund shall consist of:

33 (1) Special revenues collected under § 8-7-802;

34 (2) Special revenues from the license fee for fireworks under §§
35 20-22-701 – 20-22-715;

36 (3) Special revenues from the Fire Protection Premium Tax Fund,

1 § 19-43-256;

2 (4) Any other funds authorized or provided by law; and

3 (5) Any remaining fund balances carried forward from year to
4 year.

5 (c) The Fire Services Fund shall be used by the Division of Emergency
6 Management and the Office of Fire Protection Services to provide fire
7 protection services.

8 (d) Moneys remaining in the Fire Services Fund at the end of each
9 fiscal year shall carry forward and be made available for the purposes stated
10 in this section in the next fiscal year.

11

12 SUBTITLE 3 – REVENUE CLASSIFICATION LAW

13

14 CHAPTER 40. GENERAL PROVISIONS

15 CHAPTER 41. GENERAL REVENUES

16 CHAPTER 42. SPECIAL REVENUES

17 CHAPTER 43. SPECIAL REVENUE FUNDS

18 CHAPTER 44. TRUST FUND INCOME

19 CHAPTER 45. FEDERAL GRANTS, AIDS, AND REIMBURSEMENTS

20 CHAPTER 46. NONREVENUE RECEIPTS

21 CHAPTERS 47 – 59. [RESERVED.]

22

23 CHAPTER 40

24 GENERAL PROVISIONS

25

26 19-40-101. Title.

27 This *subtitle* shall be referred to and may be cited as the “Revenue
28 Classification Law”.

29

30 19-40-102. Purpose.

31 Because of the many revenue laws of the state providing for the levying
32 and collecting of taxes, licenses, fees, permits, assessments, royalties,
33 leases, rents, fines, interest, and penalties for the support of the state
34 government and its agencies, institutions, boards, and commissions that have
35 been enacted by various General Assemblies, it is the policy of the General
36 Assembly with respect to all such revenues and other income, which are

1 required by law to be deposited into the State Treasury, to describe, define,
2 and classify all such revenues and other income and to provide for the
3 purposes, individually and collectively, that all such revenues and other
4 income may be used. It is the intent and purpose of this *subtle* to comply
5 with the Arkansas Constitution, including Arkansas Constitution, Article 16,
6 § 11.

7
8 19-40-103. Cash funds.

9 All taxes, licenses, fees, permits, or other income collected by any
10 board, agency, or commission under the authority of the State of Arkansas
11 that are designated by law to be deposited into a depository other than the
12 State Treasury are classified as "cash funds" and are declared to be revenues
13 of the state to be used as required and to be expended only for such purposes
14 and in such manner as determined by law.

15
16 19-40-104. Income required to be deposited into State Treasury.

17 All taxes, licenses, fees, permits, assessments, royalties, leases,
18 rents, fines, interest, penalties, and other income provided for by law for
19 the support of state government and its agencies, institutions, boards, and
20 commissions that are required by law to be deposited into the State Treasury
21 shall be handled and used in the manner and for the purposes provided for by
22 this *subtle*.

23
24 19-40-105. Handling of collections.

25 All fines, fees, penalties, court costs, taxes, and other collections
26 that, by the laws of this state, are to be remitted directly to the Treasurer
27 of State for credit in the State Treasury to an account of a state agency
28 shall be remitted directly to the state agency to whose account the same is
29 to be credited. Upon receipt, the state agency shall transmit all collections
30 to the Treasurer of State, to be credited by him or her to the account of the
31 state agency depositing them.

32
33 19-40-106. Effect on general revenue statutes.

34 As to the taxes, licenses, fees, and other revenues classified as
35 general revenues, as set out in this *subtle*, it is not the purpose of this
36 *subtle* to levy or change the amount or rate of such taxes, licenses, fees,

1 and other revenues but to state the purpose for which general revenues are to
2 be used. This *subtitle* shall not be construed as amending any of the
3 provisions of the law with respect to such taxes defined to be general
4 revenues except for the purpose of defining the purposes for which these
5 revenues are raised and collected.

6
7 19-40-107. Effect on special revenue statutes.

8 As to the special taxes, licenses, fees, and other revenues classified
9 as special revenues, as set out in this *subtitle*, it is not the purpose of
10 this *subtitle* to levy or change the amount or rate of such taxes, licenses,
11 fees, and other revenues, nor to change the purposes for which such special
12 revenues are to be used as provided for by law. This *subtitle* shall not be
13 construed as amending any of the provisions of law with respect to such taxes
14 defined to be special revenues except for the purpose of defining the
15 purposes for which these revenues are raised and collected, which also shall
16 include the services rendered by the constitutional and fiscal agencies in
17 the manner provided by law.

18
19 19-40-108. Classifications of revenue.

20 All taxes, licenses, fees, permits, assessments, royalties, leases,
21 rents, fines, interest, penalties, or other governmental income available to
22 the State of Arkansas, which are required by law to be deposited into the
23 State Treasury, shall be classified under one (1) or more of the following:

- 24 (1) General revenues;
25 (2) Special revenues;
26 (3) Trust fund income;
27 (4) Federal grants, aids, and reimbursements; and
28 (5) Nonrevenue receipts.

29
30 19-40-109. Miscellaneous revenue.

31 (a) All fines, penalties, interest, or court costs received in
32 connection with the collection of any revenue shall be classified the same as
33 the revenue for which the fines, penalties, interest, or court costs are
34 levied.

35 (b) Proceeds from rental of any real or personal property owned by the
36 State of Arkansas shall be classified as special revenues belonging to the

1 fund or fund account from which the state agency to which the property
2 belongs receives its support unless otherwise specified by law.

3 (c) All nonrevenue receipts as defined in § 19-46-201 derived from
4 proceeds from the sale of property, income received on account of services
5 being provided by a state agency, or any other miscellaneous earnings of any
6 state agency shall be credited to the fund or fund account from which the
7 state agency draws its support unless specified otherwise by law.

8

9 19-40-110. Mixed funds.

10 If, at the close of any fiscal year, a balance remains in any State
11 Treasury fund, fund account, or account that is subject to transfer at the
12 close of a fiscal year, and into which both general revenues and either
13 special revenues, nonrevenue receipts, or federal reimbursements are
14 deposited and expended, the special revenue portion of the balance shall be
15 the proportion that the amount of special revenues credited to the fund or
16 the fund account is to total funds credited to the fund or the fund account
17 in each fiscal year. The special revenue portion of the balance shall be
18 carried forward to the next fiscal year and shall be used solely for the
19 purposes for which it was collected as provided by law.

20

21

CHAPTER 41

22

GENERAL REVENUES

23

24 Subchapter 1. General Provisions [Reserved.]

25 Subchapter 2. Enumeration of General Revenues

26

27

Subchapter 1 – General Provisions [Reserved.]

28

29

Subchapter 2 – Enumeration of General Revenues

30

31

19-41-201. General revenues enumerated.

32

33

The general revenues of the state, as provided by law, shall consist of
the following, as described by their commonly known titles:

34

35

(1) Sales taxes, as enacted by Acts 1941, No. 386, known as the
“Arkansas Gross Receipts Act of 1941”, and all laws supplemental or
36 amendatory thereto, § 26-52-101 et seq.;

1 (2) Use taxes as enacted by Acts 1949, No. 487, known as the
2 “Arkansas Compensating Tax Act of 1949”, Acts 1971, No. 222, and all laws
3 supplemental or amendatory thereto, § 26-53-101 et seq.;

4 (3) Corporation franchise taxes, as enacted by Acts 1979, No.
5 889, known as the “Arkansas Corporate Franchise Tax Act of 1979”, and all
6 laws amendatory thereto, § 26-54-101 et seq.;

7 (4) Corporation income taxes, as enacted by Acts 1929, No. 118,
8 known as the “Income Tax Act of 1929”, Acts 1941, No. 129, and all laws
9 amendatory thereto, § 26-51-101 et seq., with the exception of those
10 additional corporate income taxes set aside as special revenue by § 26-51-
11 205(c)(2);

12 (5) Individual income taxes, as enacted by Acts 1929, No. 118,
13 known as the “Income Tax Act of 1929”, and all laws amendatory thereto, § 26-
14 51-101 et seq.;

15 (6) Cigarette taxes and permits and other tobacco products taxes
16 and permits, as enacted by Acts 1977, No. 546, known as the “Arkansas Tobacco
17 Products Tax Act of 1977”, and all laws amendatory thereto, § 26-57-201 et
18 seq.;

19 (7) Escheat of unclaimed property, as enacted by Acts 1999, No.
20 850, known as the “Unclaimed Property Act”, and all laws amendatory thereto,
21 § 18-28-201 et seq.;

22 (8) [Repealed.]

23 (9) Seventy-five percent (75%) of all severance taxes, with the
24 exception of the taxes paid to sever timber and timber products, the
25 severance tax collected on natural gas, and those portions of severance taxes
26 designated as special revenues in § 19-42-201, as enacted by Acts 1947, No.
27 136, and all laws amendatory thereto, §§ 26-58-101 – 26-58-103, 26-58-106 –
28 26-58-111, 26-58-114 – 26-58-116, 26-58-118 – 26-58-120, 26-58-123, and 26-
29 58-124;

30 (10) Sand, gravel, oil, coal, and other mineral royalties, as
31 enacted by Acts 1975, No. 524, and all laws amendatory thereto, §§ 22-5-801 –
32 22-5-813;

33 (11) Oil and gas leases, as enacted by Acts 1975, No. 524, and
34 all laws amendatory thereto, §§ 22-5-801 – 22-5-813;

35 (12) Petroleum trade practices civil penalties, as enacted by
36 Acts 1993, No. 380;

1 (13) Estate taxes, as enacted by Acts 1941, No. 136, known as
2 the "Estate Tax Law of Arkansas", and all laws amendatory thereto, §§ 26-59-
3 101 – 26-59-107, 26-59-109 – 26-59-114, 26-59-116 – 26-59-119, 26-59-121, and
4 26-59-122;

5 (14) Those portions of real estate transfer taxes, as enacted by
6 Acts 1971, No. 275, and all laws amendatory thereto, §§ 26-60-101 – 26-60-103
7 and 26-60-105 – 26-60-112;

8 (15) State Insurance Department Trust Fund moneys in excess of
9 an amount equal to one (1) fiscal year budget for the State Insurance
10 Department, § 23-61-710(c);

11 (16) Large truck speeding fines, § 27-50-311;

12 (17) Employment agency licenses, as enacted by Acts 1975, No.
13 493, known as the "Arkansas Private Employment Agency Act of 1975", and all
14 laws amendatory thereto, § 11-11-201 et seq.;

15 (18) [Repealed.]

16 (19) Insurance premium taxes, as enacted by Acts 1959, No. 148,
17 known as the "Arkansas Insurance Code", §§ 23-60-101 – 23-60-108, 23-60-110,
18 23-61-101 – 23-61-112, 23-61-201 – 23-61-206, 23-61-301 – 23-61-307, 23-61-
19 401, 23-61-402, 23-62-101 – 23-62-108, 23-62-201, 23-62-202, former § 23-62-
20 203, § 23-62-204, § 23-62-205, § 23-63-101 [repealed], §§ 23-63-102 – 23-63-
21 104, 23-63-201 – 23-63-216, 23-63-301, 23-63-302, §§ 23-63-401 – 23-63-404
22 [repealed], §§ 23-63-601 – 23-63-604, §§ 23-63-605 – 23-63-609 [repealed], §§
23 23-63-610 – 23-63-613, 23-63-701, 23-63-801 – 23-63-833, 23-63-835, 23-63-836
24 [as added by Acts 1983, No. 522], 23-63-837 [as added by Acts 1983, No. 522],
25 § 23-63-838 [repealed], §§ 23-63-901 – 23-63-912, 23-63-1001 – 23-63-1004,
26 23-64-101 – 23-64-103, 23-64-201 – 23-64-205, § 23-64-206 [repealed], § 23-
27 64-207, § 23-64-208 [repealed], §§ 23-64-209, 23-64-210, §§ 23-64-211 – 23-
28 64-213 [repealed], §§ 23-64-214 – 23-64-221, § 23-64-222 [repealed], §§ 23-
29 64-223 – 23-64-227, 23-65-101 – 23-65-104, 23-65-201 – 23-65-205, 23-65-301 –
30 23-65-319, 23-66-201 – 23-66-213, § 23-66-214 [repealed], §§ 23-66-301 – 23-
31 66-306, 23-66-308 – 23-66-311, 23-66-313, 23-66-314, 23-68-101 – 23-68-113,
32 23-68-115 – 23-68-132, 23-69-101 – 23-69-103, 23-69-105 – 23-69-141, 23-69-
33 143, 23-69-149 – 23-69-156, 23-70-101 – 23-70-124, 23-71-101 – 23-71-116, 23-
34 72-101 – 23-72-122, 23-73-101 – 23-73-107, § 23-73-108 [repealed], § 23-73-
35 109 [repealed], §§ 23-73-110 – 23-73-116, former §§ 23-74-101 – 23-74-105, §§
36 23-74-106 – 23-74-141 [repealed], §§ 23-75-101 – 23-75-116, § 23-75-117

1 [repealed], §§ 23-75-118 – 23-75-120, 23-79-101 – 23-79-106, 23-79-109 – 23-
2 79-128, 23-79-131 – 23-79-134, 23-79-202 – 23-79-210, 23-81-101 – 23-81-117,
3 23-81-120 – 23-81-136, 23-81-201 – 23-81-213, 23-82-101 – 23-82-118, 23-84-
4 101 – 23-84-111, 23-85-101 – 23-85-131, 23-86-101 – 23-86-104, 23-86-106 –
5 23-86-109, 23-86-112, 23-87-101 – 23-87-119, 23-88-101, 23-89-101, 23-89-102,
6 26-57-601 – 26-57-605, 26-57-607, 26-57-608, and 26-57-610 and all laws
7 amendatory thereto, with the exception of those premium taxes set aside for
8 the various municipal firemen's pension and relief funds, for the various
9 police officers' pension and relief funds, and for the Workers' Compensation
10 Commission and, with the exception of those additional premium taxes set
11 aside for the Fire Protection Premium Tax Fund under § 26-57-614, and
12 insurance premium taxes from domestic insurers not maintaining a home office
13 in this state as enacted by Acts 1979, No. 908, and all laws amendatory
14 thereto, §§ 23-60-102, 26-57-601 – 26-57-605, and 26-57-607;

15 (20) Horse racing taxes and fees, including the portion of all
16 moneys wagered, as set out in Acts 1957, No. 46, § 23, as amended, §§ 23-110-
17 406, 23-110-407, § 23-110-408 [repealed], and §§ 23-110-409 and 23-110-410,
18 the annual license fee, ten percent (10%) of admissions or ten cents (10¢)
19 per admission, whichever sum is greater, one-third ($\frac{1}{3}$) of the unredeemed
20 pari-mutuel tickets, and the license fees of owners, trainers, jockeys, and
21 jockeys' agents, all as enacted by Acts 1957, No. 46, known as the "Arkansas
22 Horse Racing Law", and all laws amendatory thereto, §§ 23-110-101 – 23-110-
23 104, 23-110-201 – 23-110-205, 23-110-301 – 23-110-307, 23-110-401 – 23-110-
24 403, § 23-110-404 [repealed], §§ 23-110-405 – 23-110-407, § 23-110-408
25 [repealed], and §§ 23-110-409 – 23-110-415;

26 (21) Dog racing taxes and fees, including three percent (3%) of
27 all moneys wagered up to and including one hundred twenty-five million
28 dollars (\$125,000,000) and seven percent (7%) of all moneys wagered in excess
29 of one hundred twenty-five million dollars (\$125,000,000) per calendar year
30 at two hundred forty-four (244) days of racing, one-third ($\frac{1}{3}$) of the odd
31 cents or breaks, the daily operating license fee and fees paid by each
32 greyhound owner and trainer, simulcast taxes of two percent (2%) of all
33 moneys wagered up to and including three hundred fifty thousand dollars
34 (\$350,000), three percent (3%) in excess of three hundred fifty thousand
35 dollars (\$350,000) but less than or equal to five hundred thousand dollars
36 (\$500,000), and six percent (6%) in excess of five hundred thousand dollars

1 (\$500,000), per racing performance and ten percent (10%) of admissions or ten
2 cents (10¢) per admission, whichever sum is greater, as enacted by Acts 1957,
3 No. 191, known as the "Arkansas Greyhound Racing Law", §§ 23-111-101 – 23-
4 111-104, 23-111-201 – 23-111-205, 23-111-301 – 23-111-308, 23-111-501, 23-
5 111-506, § 23-111-507 [repealed], and §§ 23-111-508 – 23-111-514, and all
6 laws amendatory thereto, and the additional four (4) of six (6) days of
7 racing authorized in § 23-111-504;

8 (22) Alcoholic beverages taxes, permits, licenses, and fees,
9 including the following:

10 (A) Liquor gallonage taxes and imported wine taxes, as
11 enacted by Acts 1935, No. 109, and all laws amendatory thereto, §§ 3-7-101 –
12 3-7-110;

13 (B) Permits and fees for manufacturer and dispensary
14 privileges, as enacted by Acts 1935, No. 108, known as the "Arkansas
15 Alcoholic Control Act", and all laws amendatory thereto, §§ 3-1-101 – 3-1-
16 103, 3-2-101, 3-2-205, 3-3-101 – 3-3-103, 3-3-212, 3-3-401, 3-3-404, 3-3-405,
17 3-4-101 – 3-4-103, 3-4-201, 3-4-202, 3-4-207 – 3-4-211, 3-4-213, 3-4-214, 3-
18 4-217, 3-4-219, 3-4-220, 3-4-301 – 3-4-303, 3-4-501, 3-4-503, 3-4-601 – 3-4-
19 605, 3-8-301, 3-8-303, 3-8-305 – 3-8-310, 3-8-313 – 3-8-317, 3-9-237, and 23-
20 12-708, but not including fees for grocery store wine permits authorized
21 under § 3-5-1802;

22 (C) Nonintoxicating beer and wine taxes, as enacted by
23 Acts 1933 (1st Ex. Sess.), No. 7, and all laws amendatory thereto, §§ 3-5-201
24 – 3-5-207, 3-5-209 – 3-5-221, 3-5-223 – 3-5-225, and 3-8-401;

25 (D) Brandy taxes and fees, as enacted by Acts 1953, No.
26 163, known as the "Native Brandy Law", and all laws amendatory thereto, § 3-
27 6-101 et seq.;

28 (E) The additional taxes on native wine and beer and the
29 additional permits fees for retail liquor and beer permits and wholesale
30 liquor and beer permits, as enacted by Acts 1969, No. 271, and all laws
31 amendatory thereto, §§ 3-7-111 and 3-7-506;

32 (F) The additional taxes on liquor and native wine, as
33 enacted by Acts 1949, No. 282, and all laws amendatory thereto, §§ 3-3-314
34 and 3-7-111;

35 (G) The special alcoholic beverage excise taxes, as
36 enacted by Acts 1951, No. 252, and all laws amendatory thereto, §§ 3-7-201

1 and 3-7-205;

2 (H) Wholesale and retail permits and fees for the sale of
3 liquor and beer, as enacted by Acts 1933 (1st Ex. Sess.), No. 7, and all laws
4 amendatory thereto, §§ 3-5-201 – 3-5-207, 3-5-209 – 3-5-221, 3-5-223 – 3-5-
5 225, and 3-8-401;

6 (I) Restaurant wine permits, as enacted by Acts 1965, No.
7 120, and all laws amendatory thereto, §§ 3-9-301 – 3-9-303 and 3-9-305 – 3-9-
8 307;

9 (J) Permits and taxes on alcoholic beverages sold for on-
10 premises consumption, as enacted by Acts 1969, No. 132, and all laws
11 amendatory thereto, §§ 3-9-201 – 3-9-214, 3-9-221 – 3-9-225, and 3-9-232 – 3-
12 9-237;

13 (K) Seventy cents (70¢) per gallon of the tax levied upon
14 native wine, permits and fees, as enacted by §§ 3-5-401 – 3-5-412 [repealed];
15 and

16 (L) Wine sales on-premise licenses, §§ 3-9-601 – 3-9-606;

17 (23) Sale of confiscated alcoholic beverages, as enacted by Acts
18 1947, No. 423, and all laws amendatory thereto, §§ 3-3-301 – 3-3-303, § 3-3-
19 304 [repealed], § 3-3-308 [repealed], and §§ 3-3-311 – 3-3-314;

20 (24) Fees collected by the Alcoholic Beverage Control Division
21 for transcripts and fines for violations, as enacted by Acts 1981, No. 790,
22 and all laws amendatory thereto, §§ 3-2-201, 3-2-217, 3-4-213, 3-4-401 – 3-4-
23 406, 3-4-502, 3-5-305, and 3-5-306;

24 (25) Any fines, penalties, or court costs received in connection
25 with the collection of any of the revenues enumerated in this section;

26 (26) Any other taxes, fees, license fees, and permits required
27 to be deposited into the State Treasury as provided by law and not otherwise
28 classified;

29 (27) Savings and loan associations' application fees, annual
30 fees, amendment fees, examination fees, broker's license fees, and other
31 miscellaneous fees, as enacted by Acts 1963, No. 227, §§ 23-37-101 – 23-37-
32 107, 23-37-201, 23-37-202, 23-37-204, 23-37-206 – 23-37-212, 23-37-214, 23-
33 37-301 – 23-37-315, 23-37-401, 23-37-403, 23-37-405, 23-37-406, 23-37-501 –
34 23-37-510, 23-37-512, 23-37-601, and 23-37-701 – 23-37-705;

35 (28) Credit union charter fees, annual supervision fees, and
36 examination fees, as enacted by Acts 1971, No. 132, § 23-35-101 et seq.;

1 (29) Sale of checks, investigation fees, annual license fees,
2 semiannual reports filing fees, and examination fees, as enacted by Acts
3 1965, No. 124, known as the "Sale of Checks Act", § 23-41-101 et seq.
4 [repealed];

5 (30) Securities division fees, including loan broker's licenses,
6 mortgage loan company licenses, broker-dealer licenses, agent licenses,
7 investment advisor licenses, agent examination fees, broker-dealer
8 examination fees, statement filing fees, quarterly reports, and proof of
9 exemption filing fees, all as enacted by Acts 1959, No. 254, known as the
10 "Arkansas Securities Act", and all laws amendatory thereto, §§ 23-42-101 –
11 23-42-110, 23-42-201 – 23-42-212, 23-42-301 – 23-42-308, 23-42-401 – 23-42-
12 405, and 23-42-501 – 23-42-507;

13 (31) Professional fundraiser and solicitor fees, as enacted by
14 §§ 4-28-401 – 4-28-416;

15 (32) Unclaimed security deposits, as enacted by Acts 1969, No.
16 296, as amended by Acts 1975, No. 1007, §§ 27-19-306, 27-19-408, 27-19-501,
17 27-19-503, 27-19-603, 27-19-609, 27-19-610, 27-19-612, 27-19-619 – 27-19-621,
18 and 27-19-706 – 27-19-708;

19 (33) Vending devices sales taxes, as enacted in § 26-57-1001 et
20 seq. and that portion of vending device decal fees and penalties provided in
21 the Vending Devices Decal Act of 1997, § 26-57-1201 et seq.;

22 (34) Anonymous campaign contributions of fifty dollars (\$50.00)
23 or more, as enacted by Acts 1975, No. 788, and all laws amendatory thereto,
24 §§ 7-6-201 – 7-6-210, 7-6-211 [repealed], 7-6-212 [repealed], 7-6-213, and 7-
25 6-214;

26 (35) Telephonic sellers registration fees, § 4-99-104;

27 (36) [Repealed.]

28 (37) Arkansas Department of Transportation miscellaneous fees,
29 permits, penalties, and fines, as enacted by Acts 1955, No. 397, known as the
30 "Arkansas Motor Carrier Act, 1955", and all laws amendatory thereto, § 23-13-
31 201 et seq.;

32 (38) Radiation protection civil penalties, as enacted by Acts
33 1980 (1st Ex. Sess.), No. 67, and all laws amendatory thereto, § 20-21-401 et
34 seq.;

35 (39) That portion of the reinstatement fees under § 5-65-
36 119(a)(2)(C), and that portion of the reinstatement fees under §§ 5-65-304(d)

- 1 and 5-65-310(f);
- 2 (40) Short-term rental of tangible personal property tax, § 26-
- 3 63-301;
- 4 (41) Excess campaign contributions, as enacted by § 7-6-203;
- 5 (42) Retail pet store registration fees, as enacted by § 4-97-
- 6 104;
- 7 (43) Rental vehicle tax, § 26-63-302;
- 8 (44) Residential moving tax, § 26-63-303;
- 9 (45) Arkansas Quarry Operation, Reclamation, and Safe Closure
- 10 Act fees, fines, and bond forfeiture amounts, § 15-57-401 et seq.;
- 11 (46) [Repealed.]
- 12 (47) [Repealed.]
- 13 (48) Arkansas Feed Law of 1997 penalties, § 2-37-113;
- 14 (49) Election, voter registration law, and State Board of
- 15 Election Commissioners fines, § 7-4-118 [repealed];
- 16 (50) Remaining funds on dissolution of ballot question
- 17 committees or legislative question committees, § 7-9-404;
- 18 (51) Uniform Athlete Agents Act registration and renewal fees, §
- 19 17-16-109;
- 20 (52) Until July 1, 2011, moneys in excess of one million dollars
- 21 (\$1,000,000) in the State Securities Department Fund from collections of
- 22 securities agents initial or renewal registration filing fees and securities
- 23 registration statement filing fees, § 23-42-211(a)(4);
- 24 (53) Human cloning fines, § 20-16-1002;
- 25 (54) The first three dollars (\$3.00) of each unregistered
- 26 vehicle temporary preprinted paper buyer's tag fee, § 27-14-1705;
- 27 (55) Electronic games of skill privilege fees and all permit or
- 28 license fees, penalties, and fines received by the Arkansas Racing
- 29 Commission, § 23-113-604;
- 30 (56) Prohibited employment of relatives civil penalties, § 25-
- 31 16-1001 et seq.;
- 32 (57) The first six hundred seventy-five thousand dollars
- 33 (\$675,000) of the five percent (5%) of the severance tax collected on natural
- 34 gas at the rates enacted by § 26-58-111(5);
- 35 (58) Seventy-six and six-tenths percent (76.6%) of all taxes,
- 36 interest, penalties, and costs on taxes levied on the gross receipts or gross

1 proceeds derived from the sale of food and food ingredients, § 26-52-
2 317(c)(1)(A);

3 (59) Seventy-six and six-tenths percent (76.6%) of the tax,
4 interest, penalties, and costs received on excise taxes levied on the gross
5 receipts or gross proceeds derived from the sale of natural gas and
6 electricity to a manufacturer for use directly in the actual manufacturing
7 process, § 26-52-319(a)(1)(A);

8 (60) Seventy-six and six-tenths percent (76.6%) of the taxes,
9 interest, penalties, and costs received on taxes levied on the privilege of
10 storing, using, distributing, or using food and food ingredients, § 26-53-
11 145(c)(1)(A);

12 (61) Seventy-six and six-tenths percent (76.6%) of the tax,
13 interest, penalties, and costs received on excise taxes levied on the sales
14 price of natural gas and electricity purchased by a manufacturer for use
15 directly in the actual manufacturing process, § 26-53-148(a)(1)(A);

16 (62) Seventy-six and six-tenths percent (76.6%) of the excise
17 taxes levied on all dyed distillate special fuel sold, used, or utilized in
18 the state, § 26-56-224(c)(1);

19 (63) That portion of Unified Carrier Registration Act of 2005,
20 Pub. L. No. 109-59, § 4301 et seq. – fines and penalties, § 23-13-605;

21 (64) Charitable bingo and raffle license fees and excise taxes
22 levied as enacted by §§ 23-114-302, 23-114-307, and 23-114-601;

23 (65) Additional tax on cigarettes and tobacco products other
24 than cigarettes, as enacted by Acts 2009, No. 180, and all laws amendatory
25 thereto, § 26-57-801 et seq.;

26 (66) Partial-birth abortion civil fines and penalties, as
27 enacted by Acts 2009, No. 196, and all laws amendatory thereto, the Partial-
28 Birth Abortion Ban Act, § 20-16-1201 et seq.;

29 (67) International student exchange visitor placement
30 organization registration fees, as enacted by Acts 2009, No. 966, and all
31 laws amendatory thereto, the International Student Exchange Visitor Placement
32 Organization Registration Act, § 6-18-1701 et seq.;

33 (68) [Repealed.]

34 (69) Certification of tobacco product manufacturers civil
35 penalties, § 26-57-1303(a)(11)(B);

36 (70) Sale, distribution, and stamping of tobacco products civil

- 1 penalties, § 26-57-1306(f)(1);
2 (71) Permit fees or taxes, label fees, penalties, fines,
3 proceeds of all forfeitures, special inspection fees and costs as enacted by
4 Acts 2013, No. 483, and all laws amendatory thereto, the Direct Shipment of
5 Vinous Liquor Act, § 3-5-1701 et seq.;
- 6 (72) The first four and one-half (4½) mills on gas assessments
7 levied each fiscal year until July 1, 2023, under § 15-71-107(b)(2)(A)(i);
- 8 (73) Fines received by the State Board of Election
9 Commissioners, § 7-4-120(h)(4); and
- 10 (74) Paid fantasy sports games tax, § 23-116-104.

11
12 CHAPTER 42
13 SPECIAL REVENUES
14

15 Subchapter 1. General Provisions [Reserved.]

16 Subchapter 2. Enumeration of Special Revenues
17

18 Subchapter 1 – General Provisions [Reserved.]
19

20 Subchapter 2 – Enumeration of Special Revenues
21

22 19-42-201. Special revenues enumerated.

23 The special revenues of the state, its agencies, departments,
24 institutions, commissions, and boards, as provided by law and as required by
25 law to be deposited into the State Treasury, shall consist of the following,
26 as described by their commonly known titles:

27 (1) The remainder of motor vehicle operator and chauffeur
28 licenses and penalties, as confirmed and enacted by § 12-8-301 et seq., known
29 as the “Division of Arkansas State Police Communications Equipment Leasing
30 Act”, which are not required for debt service requirements that are
31 authorized to be deposited into the State Treasury under §§ 12-8-307 – 12-8-
32 310;

33 (2) Motor vehicle registration and license fees, as enacted by
34 Acts 1929, No. 65, §§ 26-55-101, 27-14-305, 27-14-601, § 27-15-1501
35 [repealed], §§ 27-64-104, 27-65-101, 27-65-107, 27-65-110, 27-65-112, 27-65-
36 131 – 27-65-133, 27-67-101, 27-67-102, 27-67-201, 27-67-206 – 27-67-208, 27-

1 67-211, 27-67-214, and 27-67-218, and all laws amendatory thereto, Acts 1965,
2 No. 87, § 27-15-4001, Acts 1959, No. 122, § 27-15-2101 [repealed], Acts 1959,
3 No. 189, § 27-15-2003 [repealed], and Acts 1969, No. 36, §§ 27-15-401 – 27-
4 15-406 [repealed];

5 (3) Distillate special motor fuels taxes and liquefied gas
6 special motor fuels taxes and license and permit fees, as enacted by § 26-56-
7 101 et seq., known as the “Special Motor Fuels Tax Law”, and all laws
8 amendatory thereto, including the:

9 (A) Eight and one-half cent (8.5¢) tax on distillate
10 special motor fuels levied by § 26-56-201(a)(1)(A)(i) and the one cent (1¢)
11 tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(ii);

12 (B) Seven and one-half cent (7.5¢) tax on liquefied gas
13 special motor fuels levied by § 26-56-301(a);

14 (C) Additional one cent (1¢) tax on distillate special
15 motor fuels levied by § 26-56-201(a)(2);

16 (D) Additional four cent (4¢) tax on liquefied gas special
17 motor fuels and the additional two cent (2¢) tax on distillate special motor
18 fuels levied by § 26-56-502(a);

19 (E) Additional four cent (4¢) tax on distillate special
20 motor fuels levied by § 26-56-201(d)(1);

21 (F) Additional five cent (5¢) tax on liquefied gas special
22 motor fuels and the additional two cent (2¢) tax on distillate special motor
23 fuels levied by § 26-55-1201(a) and § 26-56-601; and

24 (G) Additional liquefied gas special motor fuels user
25 permit fees levied in § 26-55-1002;

26 (4) Gasoline taxes, as enacted by the Motor Fuel Tax Law, § 26-
27 55-201 et seq., including the:

28 (A) Eight and one-half cent (8.5¢) tax on motor fuels
29 levied by § 26-55-205(a);

30 (B) Additional one cent (1¢) tax on motor fuels levied by
31 § 26-55-205(b);

32 (C) Additional four cent (4¢) tax on motor fuels levied by
33 § 26-55-1002(a);

34 (D) Additional five cent (5¢) tax on motor fuels levied by
35 § 26-55-1201(a) and § 26-56-601; and

36 (E) Additional total of three cents (3¢) tax on motor

1 fuels levied by § 26-55-1006;

2 (5) Fireworks licenses, as enacted by Acts 1961, No. 224, and
3 all laws amendatory thereto, §§ 20-22-701 – 20-22-715;

4 (6) Timberlands taxes, as enacted by Acts 1969, No. 354, known
5 as the “Forest Fire Protection Tax Act of 1969”, and all laws amendatory
6 thereto, § 26-61-101 et seq., state forests and nurseries management income
7 not deposited into the State Forestry Trust Fund, §§ 15-31-115 and 19-26-221;
8 law enforcement fine collections, §§ 15-31-113 and 15-31-114; and timber
9 management plan fees, § 15-31-111;

10 (7) Motor vehicle in-transit fees, as enacted by Acts 1935, No.
11 183, and all laws amendatory thereto, §§ 27-14-1801 – 27-14-1808;

12 (8) Motor vehicle drive-out licenses, as enacted by Acts 1955,
13 No. 111, §§ 27-14-2101 – 27-14-2105;

14 (9) Motor vehicle certificates of title and duplicates, noting
15 liens, transfer of registration and duplicate or substitute registration
16 certificates and license plates, § 27-14-602, in excess of and after the
17 amounts required to pay the principal and interest on loans and bonds have
18 been made under the 1995 New Revenue Division Building Act, Acts 1995, No.
19 725;

20 (10) Overweight and special permits for vehicles and overlength
21 crane permits, as enacted by Acts 1955, No. 98, and all laws amendatory
22 thereto, §§ 27-35-201 – 27-35-203, 27-35-206 – 27-35-208, and 27-35-210; and,
23 overwidth or overlength mobile home permits, as enacted by Acts 1971, No.
24 264, and all laws amendatory thereto, § 27-35-211 and § 27-35-301 et seq.;

25 (11) Motor vehicle title registration fees and the noting of
26 liens fees, as enacted by Acts 1949, No. 142, known as the “Uniform Motor
27 Vehicle Administration, Certificate of Title, and Antitheft Act”, and all
28 laws amendatory thereto, § 27-14-101 et seq., § 27-14-201 et seq. [repealed],
29 §§ 27-14-301 – 27-14-304, 27-14-306 – 27-14-308, 27-14-310, 27-14-312, 27-14-
30 313, § 27-14-401 et seq., §§ 27-14-602, 27-14-604, 27-14-606, 27-14-701, 27-
31 14-703, 27-14-705, 27-14-707, 27-14-708, 27-14-710 – 27-14-716, 27-14-718 –
32 27-14-722, 27-14-801 – 27-14-804, 27-14-901 – 27-14-904, § 27-14-905
33 [repealed], §§ 27-14-906 – 27-14-913, § 27-14-1701 et seq., § 27-14-2001 et
34 seq., § 27-14-2203 [repealed], §§ 27-14-2204, 27-14-2205, 27-14-2207, 27-14-
35 2210, and 27-14-2211, which are in excess of the amount required by Acts 1961
36 (1st Ex. Sess.), No. 38, known as the “Arkansas Revenue Department Building

1 Act”, to be cash funds pledged for the principal and interest payments of the
2 Arkansas Revenue Department Building Commission revenue bonds;

3 (12) Soybean assessments, as enacted by Acts 1971, No. 259, §§
4 2-20-401, 2-20-403, 2-20-404, and 2-20-406 – 2-20-409;

5 (13) Paying patients’ fees, excluding those received from
6 Medicare or Medicaid and the Social Security Administration, or from other
7 sources which cause a decrease in the monthly vendor payment, for services
8 provided by the appropriate Division of Aging, Adult, and Behavioral Health
9 Services of the Department of Human Services and Division of Developmental
10 Disabilities Services divisions and programs of the Department of Human
11 Services;

12 (14) Fees received by the Arkansas Crime Information Center for
13 driver’s records and other informational services, as enacted by Acts 1971,
14 No. 286, and all laws amendatory thereto, §§ 12-12-201 – 12-12-203, 12-12-
15 206, 12-12-207, 12-12-209, and 12-12-211 – 12-12-213;

16 (15) Dog racing taxes derived from all revenues from the pari-
17 mutuel tax of fifteen (15) additional days of dog races authorized by §§ 23-
18 111-502 – 23-111-505, and all laws amendatory thereto;

19 (16) Dog racing taxes derived from two-thirds ($\frac{2}{3}$) of the net
20 proceeds of three (3) additional days of dog races at each meet, as
21 authorized by § 23-111-503(a)(2), and all laws amendatory thereto;

22 (17) Aviation sales and use taxes, as enacted by Acts 1967, No.
23 449, and all laws amendatory thereto, § 27-115-110;

24 (18) Revenue received from saw timber and timber products
25 severance taxes and twenty-five percent (25%) of all other severance taxes,
26 with the exception of the severance tax collected on natural gas, as enacted
27 by Acts 1947, No. 136, and all laws amendatory thereto, §§ 26-58-101 – 26-58-
28 103, 26-58-106 – 26-58-111, 26-58-114 – 26-58-116, 26-58-118 – 26-58-120, 26-
29 58-123, and 26-58-124;

30 (19) Motor fuel tax forms, including books and decals, as
31 enacted by Acts 1967, No. 376, § 26-55-713;

32 (20) Motor boat registration fees, as enacted by Acts 1959, No.
33 453, and all laws amendatory thereto, §§ 27-101-101 – 27-101-109, § 27-101-
34 201 et seq., §§ 27-101-301 – 27-101-306, and 27-101-308 – 27-101-312;

35 (21) Three percent (3%) municipal taxes, which are further
36 identified as the three percent (3%) collection cost of the one percent (1%)

1 gross receipts tax levied by a city having a population of not more than
2 thirty thousand (30,000) persons that has been designated as a model city, as
3 authorized by Acts 1968 (1st Ex. Sess.), No. 4, and all laws amendatory
4 thereto, §§ 26-75-501 – 26-75-507;

5 (22) Drivers' search fees, as enacted by Acts 1977, No. 465, and
6 all laws amendatory thereto, §§ 27-50-901 – 27-50-903, and 27-50-905 – 27-50-
7 909, § 27-50-910 [repealed], § 27-50-911, Acts 1989, No. 241, § 27-23-
8 118(b)(2) and § 27-23-118(c)(2);

9 (23) [Repealed.]

10 (24) Private career education school licenses and fees, as
11 enacted by Acts 1989, No. 906, and all laws amendatory thereto, §§ 6-51-601 –
12 6-51-617;

13 (25) Elevator safety board fees, as enacted by Acts 1963, No.
14 189, and all laws amendatory thereto, §§ 20-24-101 – 20-24-117, and 20-24-
15 119;

16 (26) Net proceeds derived from the sale of pine grown on state
17 highway rights-of-way or other highway-related areas, as enacted by Acts
18 1983, No. 696, § 22-5-101;

19 (27) Those insurance premium taxes set aside for firemen's and
20 police officers' pension and relief and related purposes, §§ 24-11-301 and
21 24-11-809, with the exception of those premium taxes set aside for transfer
22 to the State Police Retirement Fund under § 24-6-209(b);

23 (28) Bank department charter fees, assessments, and examination
24 fees, as enacted by Acts 1913, No. 113, and all laws amendatory thereto, §
25 16-110-406, § 23-30-101 [repealed], §§ 23-31-201 – 23-31-205 [repealed], §§
26 23-31-212 – 23-31-215 [repealed], § 23-32-102 [repealed], former §§ 23-32-201
27 – 23-32-204, former § 23-32-208, former § 23-32-210, § 23-32-216 [repealed],
28 § 23-32-222 [repealed], § 23-32-224 [repealed], § 23-32-225 [repealed], § 23-
29 32-227 [repealed], § 23-32-228 [repealed], § 23-32-701 [repealed], §§ 23-32-
30 703 – 23-32-705 [repealed], § 23-32-710 [repealed], § 23-32-713 [repealed], §
31 23-32-716 [repealed], § 23-32-803 [repealed], § 23-32-905 [repealed], § 23-
32 32-1001 [repealed], § 23-32-1002 [repealed], § 23-32-1006 [repealed], § 23-
33 32-1008 [repealed], §§ 23-32-1101 – 23-32-1103 [repealed], § 23-32-1106
34 [repealed], §§ 23-32-1108 – 23-32-1111 [repealed], §§ 23-33-101 – 23-33-103
35 [repealed], § 23-33-105 [repealed], § 23-33-106 [repealed], §§ 23-33-201 –
36 23-33-207 [repealed], § 23-33-212 [repealed], § 23-33-213 [repealed], §§ 23-

1 33-301 – 23-33-308 [repealed], § 23-33-310 [repealed], § 23-34-101
2 [repealed], § 23-34-103 [repealed], § 23-34-105 [repealed], § 23-34-106
3 [repealed], § 23-34-108 [repealed], § 23-34-110 [repealed], and § 23-34-111
4 [repealed];

5 (29) Industrial loan institutions assessments and examination
6 fees, as enacted by Acts 1941, No. 111, §§ 23-36-101 – 23-36-117;

7 (30) Various asset forfeiture proceeds, § 5-64-505(f)(5)(B), §
8 5-64-505(h)(1)(A), and § 5-64-505(i);

9 (31) Fees recovered from ex-offenders on probation, parole, or
10 post-release supervision from a facility of the Division of Community
11 Correction, as enacted by Acts 1981, No. 70, and all laws amendatory thereto,
12 § 16-93-104;

13 (32) Liquefied petroleum gas board filing fees, inspection fees,
14 registration fees, permits, and certificates of competency, as enacted by
15 Acts 1965, No. 31, known as the “Liquefied Petroleum Gas Board Act”, and all
16 laws amendatory thereto, §§ 15-75-101 – 15-75-108, 15-75-110, 15-75-201 – 15-
17 75-204, § 15-75-205 [repealed], §§ 15-75-206 – 15-75-209, 15-75-301 – 15-75-
18 321, and 15-75-401 – 15-75-405;

19 (33) Brand registration, sales of state brand books, and fees
20 for transfer of brand titles, as enacted by Acts 1959, No. 179, § 2-34-201, §
21 2-34-202 [repealed], § 2-34-203, § 2-34-204 [repealed], §§ 2-34-205 – 2-34-
22 212;

23 (34) Arkansas Livestock and Poultry Commission fees and revenues
24 as enacted by Acts 1981, No. 867, and all laws amendatory thereto, § 2-33-
25 113, consisting of:

26 (A) Income from the livestock spraying program, as enacted
27 by Acts 1969, No. 360, and all laws amendatory thereto, § 2-33-207 [repealed]
28 and § 2-33-208 [repealed];

29 (B) Poultry and egg grading fees as enacted by Acts 1969,
30 No. 220, known as the “Arkansas Egg Marketing Act of 1969”, and all laws
31 amendatory thereto, § 20-58-201 et seq.;

32 (C) Acts 1965, No. 49, and all laws amendatory thereto, §§
33 2-33-301 – 2-33-305, and 2-33-307;

34 (D) Acts 1975 (Extended Sess., 1976), No. 1216, and all
35 laws amendatory thereto, §§ 2-33-306 and 2-33-307;

36 (E) Carcass data information and feeder pig and feeder

1 calf grading fees, as enacted by Acts 1973, No. 454, and all laws amendatory
2 thereto, §§ 2-33-201 – 2-33-206 [repealed];

3 (F) Livestock and poultry diagnostic service fees, § 2-33-
4 111;

5 (G) State, county, and district paid admission surcharges,
6 § 2-33-115(a)(3) [repealed];

7 (H) Small animal testing fees, as enacted by Acts 1981,
8 No. 770, and all laws amendatory thereto, § 2-33-112 [repealed];

9 (I) Commercial bait and ornamental fish fees collected
10 under the Commercial Bait and Ornamental Fish Act, § 2-5-201 et seq.; and

11 (J) Catfish processor civil penalties collected under the
12 Arkansas Catfish Processor Fair Practices Act of 1987, § 2-6-101 et seq.;

13 (35) Arkansas Rice Research and Promotion Board assessments, §
14 2-20-507;

15 (36) Boiler inspection fees, certificates of competency,
16 permits, examination fees, and licenses, as enacted by Acts 1961, No. 494,
17 and all laws amendatory thereto, §§ 20-23-101 – 20-23-105, § 20-23-201
18 [repealed], §§ 20-23-202, 20-23-203, 20-23-301 – 20-23-313, and 20-23-401 –
19 20-23-405;

20 (37) Motor vehicle registration reinstatement fees, § 27-22-
21 103(b)(4)(B), and motor vehicle insurance reporting penalties, § 27-22-107;

22 (38) Special motor-driven cycle and bicycle operators' licenses
23 and certificates, as enacted by §§ 27-20-101 – 27-20-116;

24 (39) Polygraph examiner's examination and license fees, as
25 enacted by Acts 1967, No. 413, known as the "Polygraph Examiners Licensing
26 Act", §§ 17-39-101 – 17-39-107, § 17-39-108 [repealed], §§ 17-39-109, and 17-
27 39-201 – 17-39-214;

28 (40) Private investigator's application fees, agency fees, and
29 license fees and security guard fines and fees, as enacted by Acts 1977, No.
30 429, known as the "Private Security Agency, Private Investigator, and School
31 Security Licensing and Credentialing Act", and all laws amendatory thereto,
32 §§ 17-40-101 – 17-40-104, 17-40-204, 17-40-207 – 17-40-209, 17-40-301, 17-40-
33 302, 17-40-306 – 17-40-317, 17-40-329 – 17-40-332, 17-40-337, 17-40-339, 17-
34 40-340, 17-40-342 – 17-40-344, and 17-40-349 – 17-40-355;

35 (41) Cosmetology board examination, registration, license,
36 duplicate license, reinstatements, reciprocity, renewal and delinquent

1 licenses and fees, as enacted by Acts 1955, No. 358, known as the
2 “Cosmetology Act”, and all laws amendatory thereto, §§ 17-26-101 – 17-26-105,
3 17-26-201, § 17-26-202 [repealed], § 17-26-203 [repealed], §§ 17-26-204 – 17-
4 26-210, § 17-26-301 [repealed], §§ 17-26-302 – 17-26-304, § 17-26-305
5 [repealed], § 17-26-306, § 17-26-307, § 17-26-308 [repealed], §§ 17-26-309 –
6 17-26-312, § 17-26-313 [repealed], §§ 17-26-314 – 17-26-319, § 17-26-320
7 [repealed], §§ 17-26-321, and 17-26-401 – 17-26-415, § 17-26-416 [repealed],
8 and §§ 17-26-417 and 17-26-418;

9 (42) That portion not declared to be “pledged revenues” for debt
10 service on any certificates of indebtedness issued under Acts 1983, No. 458,
11 §§ 22-3-1201 – 22-3-1214, § 22-3-1215 [repealed], and §§ 22-3-1216 – 22-3-
12 1219, and that portion not declared cash funds paid to the Arkansas
13 Development Finance Authority for deposit into the Correction Facilities
14 Privatization Account of the Correction Facilities Construction Fund, § 22-3-
15 1210(c)(1)(A), of the Division of Correction’s income from its farm
16 operations, including sale of farm products and livestock, rental of farm
17 properties, and payments from agencies of the state or federal government in
18 connection with the farm operations, as enacted by Acts 1968 (1st Ex. Sess.),
19 No. 50, and all laws amendatory thereto, §§ 12-27-101 – 12-27-105, 12-27-107
20 – 12-27-109, 12-27-112, 12-27-113, 12-27-115, 12-27-118, 12-27-120, 12-28-
21 102, 12-29-101, former 12-29-102, 12-29-103, 12-29-104, 12-29-107, 12-29-112,
22 12-29-401, 12-30-301, 12-30-306, 12-30-401, 12-30-403, 12-30-405 – 12-30-407,
23 § 12-30-408 [repealed], §§ 16-93-101, 16-93-102, former § 16-93-201, §§ 16-
24 93-202 – 16-93-204, 16-93-601, 16-93-610, 16-93-701, 16-93-705, and 25-8-106;

25 (43) That portion not declared to be “pledged revenues” for debt
26 service on any certificates of indebtedness issued under Acts 1983, No. 458,
27 §§ 22-3-1201 – 22-3-1214, § 22-3-1215 [repealed], §§ 22-3-1216 – 22-3-1219,
28 of the Division of Correction’s sales, or dispositions of articles and
29 products manufactured or produced by prison labor, as enacted by Acts 1967,
30 No. 473, known as the “Prison-Made Goods Act of 1967”, § 12-30-201 et seq.;

31 (44) [Repealed.]

32 (45) Interest on investments held in the University of Arkansas
33 Endowment Fund, as enacted by Acts 1945, No. 249, and all laws amendatory
34 thereto;

35 (46) Pest control service work examination fees, operators’
36 licenses, and agents’ and solicitors’ registration fees, as enacted by Acts

1 1975, No. 488, known as the “Arkansas Pest Control Law”, and all laws
2 amendatory thereto, §§ 17-37-101 – 17-37-105, § 17-37-106 [repealed], §§ 17-
3 37-107, 17-37-201, and 17-37-203 – 17-37-221;

4 (47) Liming material registration fees and inspection fees, as
5 enacted by Acts 1969, No. 353, known as the “Arkansas Agricultural Liming
6 Materials Act”, §§ 2-19-301 – 2-19-308;

7 (48) Fertilizer registration fees for manufacturers, jobbers,
8 and manipulators of commercial fertilizers and fertilizer inspection fees, as
9 enacted by Acts 1951, No. 106, and all laws amendatory thereto, §§ 2-19-201 –
10 2-19-210;

11 (49) Nursery dealers, agents, and salesperson’s license fees, as
12 enacted by Acts 1919, No. 683, known as the “Arkansas Nursery Fraud Act of
13 1919”, and all laws amendatory thereto, § 2-21-101 et seq.;

14 (50) Arkansas Feed Law of 1997 inspection fees, and registration
15 and license fees, § 2-37-101 et seq.;

16 (51) Pesticide registration fees, as enacted by Acts 1975, No.
17 410, known as the “Arkansas Pesticide Control Act”, and all laws amendatory
18 thereto, § 2-16-401 et seq.;

19 (52) Pesticide commercial, noncommercial, private and pilot
20 applicators’ license fees, pesticide dealers’ license fees, and inspection
21 and permit fees, as enacted by Acts 1975, No. 389, known as the “Arkansas
22 Pesticide Use and Application Act”, and all laws amendatory thereto, § 20-20-
23 201 et seq.;

24 (53) Fees for seed inspection and certificate of inspection
25 tags, as enacted by Acts 1931, No. 73, and all laws amendatory thereto, §§ 2-
26 16-206 and 2-18-101 – 2-18-108;

27 (54) Agricultural products inspection fees and inspectors’
28 licenses, as enacted by Acts 1925, No. 218, known as the “Agricultural
29 Products Grading Act of 1925”, § 2-20-101 et seq.;

30 (55) Inspection, treatment, and certification fees for insect
31 pests and diseases, plants, planting seeds, noxious weeds, or other
32 substance, as enacted by Acts 1917, No. 414, known as the “Arkansas Plant Act
33 of 1917”, § 2-16-201 et seq., and Acts 1921, No. 519, known as the “Arkansas
34 Emergency Plant Act of 1921”, § 2-16-301 et seq.;

35 (56) Annual license fees, application investigation fees, and
36 fines from precious stones and precious metals buyers, as enacted by Acts

1 1981, No. 87, and all laws amendatory thereto, §§ 17-23-101 – 17-23-104, 17-
2 23-201 – 17-23-207, and § 17-23-208 [repealed];

3 (57) [Repealed.]

4 (58) Individual sewage disposal systems fees, as enacted by Acts
5 1977, No. 402, known as the “Arkansas Sewage Disposal Systems Act”, and all
6 laws amendatory thereto, § 14-236-101 et seq.;

7 (59) Hazardous waste transporter, generator, and management
8 facility fees, as enacted by Acts 1980 (1st Ex. Sess.), No. 5 [superseded],
9 and all laws amendatory thereto, and § 8-7-226;

10 (60) Nuclear planning and response fees collected from each
11 utility in the state which operates one (1) or more nuclear generating
12 facilities, as enacted by Acts 1980 (1st Ex. Sess.), No. 67, and all laws
13 amendatory thereto, §§ 20-21-401 – 20-21-405;

14 (61) Brine taxes imposed upon all brine produced in the state
15 for the purpose of bromine extraction, as enacted by Acts 1979, No. 759, and
16 all laws amendatory thereto, § 26-58-301;

17 (62) Oil and Gas Commission fees, including oil assessments, gas
18 assessments in excess of four and one-half ($4\frac{1}{2}$) mills each fiscal year until
19 July 1, 2023, under § 15-71-107(b)(2)(A)(i), drilling permits, permits for
20 plugging wells, and permits for each salt water well, all as enacted by Acts
21 1939, No. 105, and all laws amendatory thereto, §§ 15-71-101 – 15-71-112, 15-
22 72-101 – 15-72-110, 15-72-205, 15-72-212, 15-72-216, 15-72-301 – 15-72-324,
23 and 15-72-401 – 15-72-407, and the portion of taxes levied on salt water used
24 in bromine production, as enacted by Acts 1947, No. 136, and all laws
25 amendatory thereto, § 26-58-111(9);

26 (63) Arkansas State Game and Fish Commission licenses, fees,
27 tags, permits, and fines, all as authorized by Arkansas Constitution,
28 Amendment 35, annual resident hunting and fishing licenses, §§ 15-42-104 and
29 15-42-110; all interest earned on Arkansas State Game and Fish Commission
30 funds, § 15-41-110; all fees, compensation, or royalties for mineral leases
31 or permits for lands held in the name of the Arkansas State Game and Fish
32 Commission, § 22-5-809(c)(4); all assessed fines as set out in § 15-41-209;
33 and forty-five percent (45%) of the additional one-eighth of one percent ($\frac{1}{8}$
34 of 1%) sales and use tax authorized by Arkansas Constitution, Amendment 75;

35 (64) Plumbers’ licenses, examination fees, permits, and
36 registration fees, as enacted by Acts 1951, No. 200, and all laws amendatory

1 thereto, §§ 17-38-101 – 17-38-103, 17-38-201 – 17-38-205, and 17-38-301 – 17-
2 38-310;

3 (65) Fees for medical identification tags and bracelets, as
4 enacted by Acts 1965, No. 433, § 20-7-119;

5 (66) [Repealed.]

6 (67) Seventy-five percent (75%) of child passenger protection
7 act fines, as enacted by Acts 1983, No. 749, known as the “Child Passenger
8 Protection Act”, § 27-34-101 et seq.;

9 (68) Dairy products licenses, permits, and fees, as enacted by
10 Acts 1941, No. 114, and all laws amendatory thereto, §§ 20-59-201 – 20-59-
11 247;

12 (69) Department of Health vital statistics fees and other
13 specified fees, as set out in § 20-7-123;

14 (70) Arkansas Public Service Commission annual assessment fees,
15 as enacted by Acts 1945, No. 40, §§ 23-2-101, 23-2-103 – 23-2-105, 23-2-108,
16 23-2-109, 23-2-403, 23-2-406, 23-2-407, 23-2-409, 23-2-413, 23-2-418, 23-3-
17 109, and 23-3-110, and Acts 1935, No. 324, §§ 14-200-101, 14-200-103 – 14-
18 200-108, 14-200-111, 23-1-101 – 23-1-112, 23-2-301, 23-2-303 – 23-2-308, 23-
19 2-310, 23-2-312, 23-2-314 – 23-2-316, § 23-2-402, § 23-2-404 [repealed], §§
20 23-2-405, 23-2-408, 23-2-410 – 23-2-412, 23-2-414 – 23-2-421, 23-2-426, 23-2-
21 428, 23-2-429, 23-3-101 – 23-3-107, 23-3-112 – 23-3-115, 23-3-118, 23-3-119,
22 23-3-201 – 23-3-206, 23-4-102, 23-4-103, 23-4-105 – 23-4-109, 23-4-205, 23-4-
23 402 – 23-4-405, 23-4-407 – 23-4-418, 23-4-620 – 23-4-634, and 23-18-101, and
24 all laws amendatory thereto;

25 (71) Arkansas Public Service Commission miscellaneous fees, as
26 enacted by Acts 1935, No. 324, §§ 14-200-101, 14-200-103 – 14-200-108, 14-
27 200-111, 23-1-101 – 23-1-112, 23-2-301, 23-2-303 – 23-2-308, 23-2-310, 23-2-
28 312, 23-2-314 – 23-2-316, 23-2-402, § 23-2-404 [repealed], §§ 23-2-405, 23-2-
29 408, 23-2-410 – 23-2-412, 23-2-414 – 23-2-421, 23-2-426, 23-2-428, 23-2-429,
30 23-3-101 – 23-3-107, 23-3-112 – 23-3-115, 23-3-118, 23-3-119, 23-3-201 – 23-
31 3-206, 23-4-102, 23-4-103, 23-4-105 – 23-4-109, 23-4-205, 23-4-402 – 23-4-
32 405, 23-4-407 – 23-4-418, 23-4-620 – 23-4-634, and 23-18-101, and Acts 1949,
33 No. 262, §§ 23-3-109 and 23-16-101 – 23-16-106, and all laws amendatory
34 thereto;

35 (72) Board of Electrical Examiners of the State of Arkansas
36 examination, license, and penalty fees, as enacted by Acts 1979, No. 870, §

1 17-28-101 et seq., § 17-28-201 et seq., and § 17-28-301 et seq., and Acts
2 1981, No. 132, and all laws amendatory thereto;

3 (73) Milk inspection fees, as enacted by Acts 1981, No. 587, and
4 all laws amendatory thereto, §§ 20-59-401 – 20-59-406 and § 20-59-407
5 [repealed];

6 (74) Proceeds from sales of tax-forfeited lands, as enacted by
7 Acts 1929, No. 129, and all laws amendatory thereto, § 26-37-210;

8 (75) Redemption of tax-forfeited lands and quitclaim deed fees,
9 as enacted by Acts 1891, No. 151, and all laws amendatory thereto, § 26-37-
10 310 et seq.;

11 (76) The following fees:

12 (A) Commissioner of State Lands fees, including patent
13 fees, as enacted by Acts 1883, No. 117, § 21-6-203;

14 (B) Deed fees, as enacted by Acts 1931, No. 245, § 22-5-
15 408;

16 (C) Donation deed fees, as enacted by Acts 1883, No. 117,
17 § 21-6-203;

18 (D) Field notes and plats fees, as enacted by Acts 1881,
19 No. 12, §§ 22-5-701 and 22-5-702;

20 (E) Certificate of donation to forfeited land fees, as
21 enacted by Acts 1883, No. 117, § 21-6-203; and

22 (F) Those fees as specified in Acts 1983, No. 886, § 21-6-
23 203;

24 (77) Proceeds from sales of islands, as enacted by Acts 1971,
25 No. 148, §§ 22-6-201 and 22-6-203;

26 (78) Insurance filing fees, renewal fees, amendment fees,
27 reinstatement fees, agents' licenses, brokers' licenses, solicitors'
28 licenses, examination fees, adjusters' licenses, copies of documents and
29 certificates of the Insurance Commissioner, all as enacted by Acts 1959, No.
30 148, known as the "Arkansas Insurance Code", and all laws amendatory thereto,
31 §§ 23-60-101 – 23-60-108, 23-60-110, 23-61-101 – 23-61-112, 23-61-201 – 23-
32 61-206, 23-61-301 – 23-61-307, 23-61-401, 23-61-402, 23-62-101 – 23-62-108,
33 23-62-201, 23-62-202, former § 23-62-203, § 23-62-204, § 23-62-205, § 23-63-
34 101 [repealed], §§ 23-63-102 – 23-63-104, 23-63-201 – 23-63-216, 23-63-301,
35 23-63-302, §§ 23-63-401 – 23-63-404 [repealed], §§ 23-63-601 – 23-63-604, §§
36 23-63-605 – 23-63-609 [repealed], §§ 23-63-610 – 23-63-613, 23-63-701, 23-63-

1 801 – 23-63-833, 23-63-835, 23-63-836 [as added by Acts 1983, No. 522], 23-
2 63-837 [as added by Acts 1983, No. 522], § 23-63-838 [repealed], §§ 23-63-901
3 – 23-63-912, 23-63-1001 – 23-63-1004, 23-64-101 – 23-64-103, 23-64-201 – 23-
4 64-205, § 23-64-206 [repealed], § 23-64-207, § 23-64-208 [repealed], § 23-64-
5 209, § 23-64-210, §§ 23-64-211 – 23-64-213 [repealed], §§ 23-64-214 – 23-64-
6 221, § 23-64-222 [repealed], §§ 23-64-223 – 23-64-227, 23-65-101 – 23-65-104,
7 23-65-201 – 23-65-205, 23-65-301 – 23-65-319, 23-66-201 – 23-66-213, § 23-66-
8 214 [repealed], §§ 23-66-301 – 23-66-306, 23-66-308 – 23-66-311, 23-66-313,
9 23-66-314, 23-68-101 – 23-68-113, 23-68-115 – 23-68-132, 23-69-101 – 23-69-
10 103, 23-69-105 – 23-69-141, 23-69-143, 23-69-149 – 23-69-156, 23-70-101 – 23-
11 70-124, 23-71-101 – 23-71-116, 23-72-101 – 23-72-122, 23-73-101 – 23-73-107,
12 § 23-73-108 [repealed], § 23-73-109 [repealed], §§ 23-73-110 – 23-73-116,
13 former §§ 23-74-101 – 23-74-105, §§ 23-74-106 – 23-74-141 [repealed], §§ 23-
14 75-101 – 23-75-116, § 23-75-117 [repealed], §§ 23-75-118 – 23-75-120, 23-79-
15 101 – 23-79-106, 23-79-109 – 23-79-128, 23-79-131 – 23-79-134, 23-79-202 –
16 23-79-210, 23-81-101 – 23-81-117, 23-81-120 – 23-81-136, 23-81-201 – 23-81-
17 213, 23-82-101 – 23-82-118, 23-84-101 – 23-84-111, 23-85-101 – 23-85-131, 23-
18 86-101 – 23-86-104, 23-86-106 – 23-86-109, 23-86-112, 23-87-101 – 23-87-119,
19 23-88-101, 23-89-101, 23-89-102, 26-57-601 – 26-57-605, 26-57-607, 26-57-608,
20 and 26-57-610;

21 (79) Trademark and service-mark registration and assignment
22 fees, as enacted by Acts 1967, No. 81, §§ 4-71-101 – 4-71-114 [repealed];

23 (80) Milk laboratory antibiotic drug testing program fees and
24 fines, § 20-59-701 et seq.;

25 (81) Commercial vehicle temporary registration tag fees, as
26 enacted by Acts 1975, (Extended Sess., 1976), No. 1179, and all laws
27 amendatory thereto, § 27-14-1306;

28 (82) Incorporation fees of railroads, street interurban, or
29 other transportation companies, express companies, sleeping car companies,
30 and private car companies, as enacted by Acts 1911, No. 87, § 23-11-102;

31 (83) Filing and recording fees for a charter of educational
32 institutions and for filing and recording a certificate for a change of name
33 or provisions of a charter, as enacted by Acts 1911, No. 375, §§ 6-2-101 – 6-
34 2-105, § 6-2-106 [repealed], §§ 6-2-107 – 6-2-109, 6-2-111, and 6-2-112;

35 (84) Fees for filing articles of incorporation and issuing a
36 certificate of incorporation of nonprofit corporations, filing an application

1 of a foreign corporation for a certificate of authority to conduct affairs in
2 this state and issuing a certificate of authority, and for other
3 administrative functions, as enacted by Acts 1963, No. 176, known as the
4 “Arkansas Nonprofit Corporation Act”, §§ 4-28-201 – 4-28-206 and 4-28-209 –
5 4-28-224;

6 (85) Articles of incorporation filing fees, articles of
7 amendment filing fees, fees for certified copies, other miscellaneous filing
8 fees and certificates, and for receiving service of process on behalf of a
9 corporation, both foreign and domestic, and all other fees, as enacted by
10 Acts 1965, No. 576, known as the “Arkansas Business Corporation Act”, § 4-26-
11 101 et seq.;

12 (86) Fees collected as authorized under Acts 1961, No. 185, as
13 amended, known as the “Uniform Commercial Code”, § 4-1-101 et seq.;

14 (87) Fees collected for filing articles of incorporation for
15 cooperative marketing associations, as enacted by Acts 1921, No. 116, as
16 amended, known as the “Cooperative Marketing Act”, § 2-2-401 et seq.;

17 (88) Fees collected from rural telephone cooperatives, as
18 enacted by Acts 1951, No. 51, as amended, known as the “Rural
19 Telecommunications Cooperative Act”, § 23-17-201 et seq.;

20 (89) Annual license fees collected from rural electrification
21 corporations, as enacted by Acts 1937, No. 342, as amended, known as the
22 “Electric Cooperative Corporation Act”, § 23-18-301 et seq.;

23 (90) Annual license fees collected from agricultural cooperative
24 associations, as enacted by Acts 1939, No. 153, as amended, §§ 2-2-101 – 2-2-
25 124;

26 (91) That portion of driver’s license special fees for duplicate
27 and identification licenses, as enacted by Acts 1977, No. 311, and all laws
28 amendatory thereto, § 27-16-801, § 27-16-805, and § 27-16-806(a) and (b);

29 (92) Fees collected from mutual corporations, excepting
30 insurance companies, having no capital stock for the filing of articles of
31 incorporation, as enacted by Acts 1911, No. 87, § 4-26-1204;

32 (93) Abstracter’s examining licenses and fees, as enacted by
33 Acts 1969, No. 109, as amended, known as the “Abstracters’ Licensing Law of
34 1969”, § 17-11-101 et seq.;

35 (94) Driver education fees, as enacted by Acts 1965, No. 531, §§
36 27-18-101, 27-18-102, and 27-18-104 – 27-18-106;

1 (95) Fees charged by the Arkansas Livestock and Poultry
2 Commission for the various examinations, permits, licenses, and certificates
3 issued by the Arkansas Livestock and Poultry Commission, as enacted by Acts
4 1975, No. 650, as amended, the Arkansas Veterinary Medical Practice Act, §
5 17-101-101 et seq.;

6 (96) Receipts from timber severed from state-owned lands and
7 rentals from trespassers on state lands, as enacted by Acts 1931, No. 125, §§
8 22-5-602 and 22-5-603;

9 (97) Annual license fees received from septic tank cleaning
10 businesses, as enacted by Acts 1973, No. 71, §§ 17-45-101 – 17-45-105;

11 (98) Environmental compatibility and public need certificate
12 initial filing fee, as enacted by Acts 1973, No. 164, and all laws amendatory
13 thereto, §§ 23-18-501 – 23-18-529;

14 (99) Arkansas Motor Vehicle Commission license fees, as enacted
15 by Acts 1975, No. 388, known as the “Arkansas Motor Vehicle Commission Act”,
16 §§ 23-112-101 – 23-112-103, 23-112-105, 23-112-201 – 23-112-205, 23-112-301 –
17 23-112-311, § 23-112-401 [repealed], §§ 23-112-402 – 23-112-404, § 23-112-405
18 [repealed], §§ 23-112-406, and 23-112-501 – 23-112-509;

19 (100) Arkansas Public Service Commission inspection fees as
20 authorized by Acts 1971, No. 285, § 8, as amended, §§ 23-15-211, 23-15-214,
21 and 23-15-216, for operating the Pipeline Safety Division;

22 (101) The additional severance tax levied on oil produced in
23 this state, as enacted by Acts 1977, No. 310, § 4, and all laws amendatory
24 thereto, § 26-58-301;

25 (102) Arkansas Manufactured Home Commission registration fees
26 and salesperson’s licenses, as enacted by Acts 1977, No. 419, known as the
27 “Arkansas Manufactured Homes Standards Act”, and all laws amendatory thereto,
28 § 20-25-101 et seq.;

29 (103) [Repealed.]

30 (104) All Division of Environmental Quality fees, unless
31 otherwise provided by law, § 8-1-105, landfill operator license fees, § 8-6-
32 909, and that portion of new tire waste tire fees, § 8-9-404;

33 (105) Interstate fuel user marking fees, fines, and penalties,
34 as enacted by Acts 1979, No. 434, §§ 26-55-708 and 26-55-709, and all laws
35 amendatory thereto;

36 (106) Motor vehicle title application fees, fines, and

1 penalties, as enacted by Acts 1949, No. 142, § 33, as amended by Acts 1979,
2 No. 439, and Acts 1981, No. 40, and all laws amendatory thereto, § 27-14-705;

3 (107) Transfers from the Securities Reserve Fund of interest
4 earned on the balance of the Arkansas Department of Transportation Fund,
5 including all internal accounts and funds thereof, as enacted by Acts 1979,
6 No. 438, § 27-70-204, and all laws amendatory thereto;

7 (108) Arkansas Board of Dispensing Opticians examination,
8 license, and registration fees, as enacted by Acts 1981, No. 589, known as
9 the "Ophthalmic Dispensing Act", and all laws amendatory thereto, § 17-89-101
10 et seq.;

11 (109) Arkansas State Board of Nursing examination and license
12 fees, as enacted by Acts 1971, No. 432, and all laws amendatory thereto, §§
13 17-87-101 – 17-87-105, 17-87-201 – 17-87-204, 17-87-301 – 17-87-309, and 17-
14 87-401;

15 (110) Social work examination and license fees, as enacted by
16 Acts 1999, No. 1122, known as the "Social Work Licensing Act", § 17-103-101
17 et seq., and all laws amendatory thereto;

18 (111) Brine production assessments as enacted by Acts 1979, No.
19 937, § 3(d), as amended, § 15-76-306(d);

20 (112) Amusement attraction permits, as enacted by Acts 1983, No.
21 837, known as the "Amusement Ride and Amusement Attraction Safety Insurance
22 Act", § 23-89-501 et seq.;

23 (113) Arkansas Beef Council cattle assessments, § 2-35-401 et
24 seq.;

25 (114) [Repealed.]

26 (115) Hazardous and toxic materials facility fees, § 12-84-106;

27 (116) The additional severance tax levied on coal, as enacted by
28 Acts 1983, No. 560, § 26-58-112;

29 (117) The additional severance tax levied on stone and crushed
30 stone, as enacted by Acts 1983, No. 761, § 26-58-113, and those portions of
31 real estate transfer taxes, as enacted by Acts 1971, No. 275, and all laws
32 amendatory thereto, §§ 26-60-105 and 26-60-112;

33 (118) Five percent (5%) of the gross proceeds collected through
34 set-off procedures from debtors who owe money to the State of Arkansas, as
35 enacted by Acts 1983, No. 372, §§ 26-36-301 – 26-36-320;

36 (119) The first designated portion of real estate transfer taxes

- 1 for the continuing education of county and circuit clerks, as enacted by Acts
2 1971, No. 275, and all laws amendatory thereto, §§ 26-60-105 and 26-60-112;
- 3 (120) That portion of driver's license reinstatement fees for
4 the Office of Driver Services, § 5-65-119(a)(2)(B);
- 5 (121) [Repealed.]
- 6 (122) Agricultural consultant license fees, the Agricultural
7 Consultants Licensing Act of 1987, § 17-13-101 et seq.;
- 8 (123) [Repealed.]
- 9 (124) Three percent (3%) of local sales and use taxes, which are
10 further identified as the three percent (3%) collection cost of the local
11 sales and use taxes, imposed by a city under § 26-75-217, a county under §
12 26-74-214, and a city or county under § 26-82-111;
- 13 (125) [Repealed.]
- 14 (126) Those portions of vaccination fees imposed at livestock
15 markets, as enacted by Acts 1985, No. 150, and Acts 1985, No. 151, § 2-40-
16 206, and that portion of all fines and penalties resulting from arrests made
17 or citations issued by Arkansas Livestock and Poultry Commission enforcement
18 officers, § 2-33-113(b) [repealed];
- 19 (127) Arkansas Wheat Promotion Board assessments, as enacted by
20 Acts 1985, No. 283, §§ 2-20-601 – 2-20-609;
- 21 (128) [Repealed.]
- 22 (129) Local exchange carriers access line surcharges and
23 commercial mobile radio service provider telephone number surcharges, § 23-
24 17-119;
- 25 (130) Asbestos removal license fees, §§ 20-27-1001 – 20-27-1007;
- 26 (131) Mammography accreditation fees, § 20-15-1005;
- 27 (132) [Repealed.]
- 28 (133) Child care facility license fees, § 20-78-223;
- 29 (134) [Repealed.]
- 30 (135) Dog racing taxes derived from the net proceeds of two (2)
31 of the additional six (6) days of dog races, as authorized by § 23-111-504;
- 32 (136) Emergency medical services fees, § 20-13-211;
- 33 (137) Food service establishment and food salvager permits and
34 fees, §§ 20-57-102, 20-57-201, § 20-57-202 [repealed], § 20-57-203, and § 20-
35 57-204;
- 36 (138) Nursing home administrator license application and renewal

- 1 fees, §§ 20-10-404 and 20-10-405;
- 2 (139) [Repealed.]
- 3 (140) Health maintenance organizations licenses and fees, § 23-
4 76-127;
- 5 (141) Ionizing radiation license and registration fees, § 20-21-
6 217;
- 7 (142) Public Water System Service Act fees, fines, and
8 penalties, § 20-28-101 et seq.;
- 9 (143) Swimming pools regulation fees and fines, §§ 20-30-102 and
10 20-30-106;
- 11 (144) Department of Health public health laboratory fees, § 20-
12 7-114;
- 13 (145) Additional real estate transfer tax, § 26-60-105(b);
- 14 (146) Two percent (2%) of gross receipts derived from the sale
15 or rental on certain items related to tourism, § 26-63-402;
- 16 (147) Breath testing instrument maintenance fees, § 20-7-128;
- 17 (148) That portion of commercial driver license application
18 fees, § 27-23-118(a)(1); driver search fees, § 27-23-118(b)(1) and § 27-23-
19 118(c)(1); and all fines, forfeitures, and penalties collected under § 27-23-
20 118(d) of the Arkansas Uniform Commercial Driver License Act, § 27-23-101 et
21 seq.;
- 22 (149) That portion of commercial driver license application
23 fees, § 27-23-118(a)(2);
- 24 (150) Commercial driver license examination fees, § 27-23-
25 110(d);
- 26 (151) Arkansas Catfish Promotion Board assessments, § 2-9-107;
- 27 (152) Turnpike project tolls, §§ 27-90-203 and 27-90-204;
- 28 (153) Regulated substance storage tank license fees and that
29 portion of annual registration fees, § 8-7-802(a)(2)(B); civil penalties
30 collected under § 8-7-806; and that portion of costs collected under § 8-7-
31 807;
- 32 (154) Landfill disposal and transportation fees, § 8-6-606;
- 33 (155) That portion of driver's license reinstatement fees for
34 the Office of Alcohol Testing, § 5-65-119(a)(2)(A), § 5-65-304(d), and § 5-
35 65-310(f);
- 36 (156) Medicaid Fraud False Claims Act penalties, § 20-77-903;

- 1 (157) Child care facility fines and penalties, § 20-78-219;
2 (158) Fees for certifying blasters, § 20-27-1102;
3 (159) Pseudorabies control and eradication program fees, § 2-40-
4 1201;
5 (160) HVACR Licensing Board fees, § 17-33-204;
6 (161) [Repealed.]
7 (162) That portion of landfill disposal fees collected when a
8 private industry bears the expense of operating and maintaining the landfill
9 solely for the disposal of wastes generated by the industry, § 8-6-607(b)(2);
10 (163) Those additional corporate income taxes as specified in §
11 26-51-205(c)(2);
12 (164) Those additional insurance premium taxes as specified in §
13 26-57-614, the portion of premium tax designated in § 26-57-603(d), and the
14 amount of insurance premium taxes transferred due to the provisions of §§ 24-
15 11-301 and 24-11-809;
16 (165) That portion of rim removal fees and import fees, § 8-9-
17 404;
18 (166) Commercial medical waste fees and fines, § 20-32-104;
19 (167) Additional landfill disposal and transportation fees, § 8-
20 6-1003 et seq.;
21 (168) That portion of annual registration fees for above-ground
22 storage tanks, § 8-7-802(a)(2)(C);
23 (169) Fees received by the State Plant Board for licensing and
24 regulation of public grain warehouses;
25 (170) Elder person or person with a disability enhanced civil
26 penalties, § 4-88-202;
27 (171) That portion of estate taxes collected in a calendar year
28 that exceeds ten percent (10%) of the average annual estate taxes collected
29 for a five-year period immediately preceding the calendar year or fifteen
30 million dollars (\$15,000,000), whichever is greater, § 26-59-122(a);
31 (172) The following fees:
32 (A) The additional fees assessed or imposed upon insurers,
33 insurance agents, brokers, professional bail bond companies, and other
34 licensees or registrants, § 23-61-711;
35 (B) The additional professional bail bond company fees, §
36 17-19-111;

- 1 (C) Health maintenance organization fees, § 23-76-127;
2 (D) Professional employer organization biennial license
3 fees, § 23-92-407; and
4 (E) Employer service assurance organization affidavit
5 fees, § 23-92-414;
- 6 (173) That portion of securities agents initial or renewal
7 registration filing fees, § 23-42-304(a)(2) and § 23-42-304(a)(4);
8 (174) That portion of securities registration statement filing
9 fees, § 23-42-404(b)(1);
- 10 (175) Background investigation fees, § 12-8-120;
11 (176) Criminal history information record search fees for
12 noncriminal justice purposes, § 12-12-1012;
- 13 (177) Alcohol and drug abuse treatment program application fees
14 and accreditation costs, § 20-64-906;
- 15 (178) Marine Sanitation Program fees, § 27-101-408;
16 (179) [Repealed.]
- 17 (180) Arkansas Conservation Corps fee-for-service project fees,
18 § 11-13-105(c) [repealed];
- 19 (181) Transfers from general revenues for financial incentive
20 plans and incentive agreements under § 15-4-1607, § 26-51-506(c)(2)(B)(vii),
21 § 26-51-506(c)(3)(D)(vi), and § 26-51-2704(c)(8)(A);
- 22 (182) Alternative fuels taxes, fees, penalties, and interest, as
23 enacted in § 26-62-101 et seq., known as the "Alternative Fuels Tax Law", and
24 all laws amendatory thereto;
- 25 (183) Dog racing taxes derived from seventy-five percent (75%)
26 of the net proceeds of six (6) additional days of dog races during each
27 twelve-month period, § 23-111-515;
- 28 (184) Transporters of commercial medical waste vehicle
29 inspection fees, § 20-32-105;
- 30 (185) Motor vehicle accident report and records of traffic
31 violations photostatic or written copies fees, § 27-53-210;
- 32 (186) Motor vehicle liability insurance fines, § 27-22-103;
- 33 (187) Rail and other carriers fees, § 23-16-105;
- 34 (188) Life care provider application filing fees, § 23-93-206;
- 35 (189) Additional marriage license fees, § 9-30-109;
- 36 (190) Used motor vehicle dealer license fees, § 23-112-608, and

- 1 that portion of used motor vehicle dealer fines, § 23-112-603(c)(1);
2 (191) Criminal Investigation Division antifraud assessments and
3 penalties, §§ 23-100-104 and 23-100-105;
4 (192) Seventy-one percent (71%) of the additional cigarette and
5 tobacco products tax, § 26-57-1101 et seq., as determined by § 26-57-1106;
6 (193) One-eighth of one cent ($\frac{1}{8}\text{¢}$) gross receipts and
7 compensating taxes, Arkansas Constitution, Amendment 75;
8 (194) Waterworks operators fees, § 17-51-106;
9 (195) Equine Infectious Anemia Control and Eradication Program
10 fees, § 2-40-826;
11 (196) Arkansas Corn and Grain Sorghum Promotion Board
12 assessments, § 2-20-805;
13 (197) State Convicted Offender DNA Data Base Act fines, § 12-12-
14 1118;
15 (198) Sex Offender Registration Act of 1997 fines, § 12-12-910;
16 (199) [Repealed.]
17 (200) Thirty percent (30%) of parking fines and fees, § 27-15-
18 305(c);
19 (201) Twenty-nine percent (29%) of the additional cigarette and
20 tobacco products tax, § 26-57-1103;
21 (202) [Repealed.]
22 (203) Littering fines, § 8-6-404;
23 (204) Fees from investigations and inspections of various
24 boards' licensees, § 17-80-106;
25 (205) Body piercing, branding, and tattooing license fees and
26 penalties, § 20-27-1503 [repealed];
27 (206) [Repealed.]
28 (207) [Repealed.]
29 (208) [Repealed.]
30 (209) [Repealed.]
31 (210) Various Department of Health vital statistic fees, § 19-
32 43-267(b);
33 (211) [Repealed.]
34 (212) Revenue-generating technology system contract taxes and
35 fees, § 19-60-107(d);
36 (213) The first one hundred fifty thousand dollars (\$150,000) of

- 1 fines collected under § 23-42-209, § 23-42-213(b), and § 23-42-308;
- 2 (214) The transfer of up to thirty-one and six-tenths percent
- 3 (31.6%) of amounts received in the Tobacco Settlement Program Fund, Acts 2002
- 4 (1st Ex. Sess.), No. 2, § 19-90-108;
- 5 (215) Arkansas Biological Agent Registry Act civil penalties, §
- 6 20-36-104;
- 7 (216) Drug court program user fees, § 16-98-304, and specialty
- 8 court program user fees, § 16-10-701;
- 9 (217) Additional marriage license fees, § 16-20-407(b)(2);
- 10 (218) That portion of an operator's driver's license
- 11 reinstatement fees, § 5-65-119(a)(2)(D);
- 12 (219) That portion of suspended, revoked, or cancelled driver's
- 13 license reinstatement fees, § 27-16-508(b) and § 27-16-808(b)(2);
- 14 (220) That portion of driver license special fees for duplicate
- 15 and identification licenses, § 27-16-805 and § 27-16-806(c);
- 16 (221) Civil penalties and fines collected under the Arkansas
- 17 Catfish Marketing Act of 1975, § 20-61-201 et seq., and § 20-61-101;
- 18 (222) That portion of penalties collected for failure to pay
- 19 fees for registration and licensing of motor vehicles, § 27-14-601(e);
- 20 (223) Design-use contribution fees, § 27-15-4904;
- 21 (224) Mixed drink supplemental taxes on sales of alcoholic
- 22 beverages, § 3-9-213(c)(2)(A) and § 3-9-223(c)(2)(A);
- 23 (225) Arkansas Bureau of Standards lab tests or inspection fees,
- 24 § 4-18-329(c);
- 25 (226) Auto auction fees for salvage-titled or parts-only titled
- 26 vehicles, § 23-112-614;
- 27 (227) Vehicle identification number verification fees, § 27-14-
- 28 725(d);
- 29 (228) Spyware monitoring fines and penalties, § 4-111-104;
- 30 (229) That portion of uniform filing fees collected in circuit
- 31 court under § 16-10-314 and § 21-6-403(b)(1);
- 32 (230) Forfeited bonds; fee assessments; reimbursements for well-
- 33 site plugging, repair, and restoration costs from well operators; and
- 34 proceeds from the sale of hydrocarbons and production equipment located at
- 35 the site of abandoned and orphaned wells, § 15-71-110(e) and § 15-71-116;
- 36 (231) County quorum court special license plate application

- 1 fees, § 27-24-303(b)(2);
- 2 (232) Fees for diagnostic laboratory services of the Division of
3 Agriculture of the University of Arkansas, § 6-64-1013;
- 4 (233) That portion of uniform filing fees collected in circuit
5 court under § 16-10-313 and § 21-6-403(b)(1);
- 6 (234) Commercial motor vehicle driving offenses fines and
7 penalties, § 27-23-114(h)(2);
- 8 (235) Criminal History for Volunteers Act fees, § 12-12-1609;
- 9 (236) Adult and Long-Term Care Facility Resident Maltreatment
10 Act civil penalties, § 12-12-1706;
- 11 (237) Phase I Environmental Site Assessment Consultant Act fees,
12 §§ 8-7-1301 – 8-7-1304, §§ 8-7-1305 – 8-7-1310 [repealed], and § 8-7-1311;
- 13 (238) Ninety-five percent (95%) of the severance tax collected
14 on natural gas at the rates enacted by § 26-58-111(5) and five percent (5%)
15 of the severance tax collected on natural gas under § 26-58-124(c)(2);
- 16 (239) Unified Carrier Registration Act of 2005, Pub. L. No. 109-
17 59, § 4301 et seq., registration fees, § 23-13-604;
- 18 (240) Landfill disposal fees to support a computer and
19 electronic recycling program, §§ 8-6-612 [repealed] and 8-6-614 [repealed];
- 20 (241) Commercial Driver Alcohol and Drug Testing Database
21 penalties, § 27-23-209 [repealed];
- 22 (242) School-Age Children Eye and Vision Care Fund [repealed]
23 donations, grants of money, gifts and appropriations from private sources,
24 from municipal and county governments, from the state, and from the United
25 States Government, as created in uncodified § 1 of Acts 2007, No. 138;
- 26 (243) Arkansas retirement community eligibility application
27 fees, § 15-14-104;
- 28 (244) Annual fleet management fees, § 27-14-610(e)(2);
- 29 (245) Securities agents branch office registration filing fees,
30 § 23-42-304(a)(5);
- 31 (246) The first designated portion of real estate transfer taxes
32 for the continuing education of county coroners under §§ 26-60-105 and 26-60-
33 112;
- 34 (247) Registration for nonprofit motor vehicle fleets management
35 fees, § 27-14-611(d)(1);
- 36 (248) Suspended registration reinstatement fees, § 27-22-

- 1 103(b)(4)(B)(i);
- 2 (249) Certificate of franchise authority fees, § 23-19-204;
- 3 (250) That portion of fees and fines collected under § 20-27-
- 4 1502 [repealed], § 20-27-1508 [repealed], § 20-27-1509 [repealed], and § 20-
- 5 27-1511 [repealed];
- 6 (251) That portion of license fees, renewal fees, and civil
- 7 penalties collected under § 17-55-101 et seq.;
- 8 (252) Voice stress analysis examiner's license fees, § 17-39-
- 9 305;
- 10 (253) Fees collected under § 12-12-1510(c);
- 11 (254) All permit and license fees received by Arkansas Tobacco
- 12 Control under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et
- 13 seq.;
- 14 (255) Fees collected under § 27-14-602(c);
- 15 (256) Driving monitoring program fees, § 27-50-912(f)(2);
- 16 (257) Permit fees paid under the Arkansas Industrial Hemp
- 17 Production Act, § 2-15-501 et seq.;
- 18 (258) All sales tax revenues collected by the Department of
- 19 Finance and Administration from the sale of usable marijuana under the
- 20 Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution,
- 21 Amendment 98;
- 22 (259) That portion of notice filing fees and penalties, § 23-42-
- 23 509(a);
- 24 (260) Revenues collected under § 9-15-202(d);
- 25 (261) Revenues collected under § 16-10-305(h);
- 26 (262) Grocery store wine permit fees, § 3-5-1802;
- 27 (263) The wholesale sales tax on motor fuel levied under § 26-
- 28 64-101;
- 29 (264) The wholesale sales tax on distillate special fuel levied
- 30 under § 26-64-102;
- 31 (265) Additional registration fees for electric vehicles, hybrid
- 32 vehicles, and plug-in hybrid electric vehicles under § 27-14-614;
- 33 (266) Motorboat duplicate title, lien filing, lien notation, and
- 34 certificate of title fees set forth in the Arkansas Motorboat Registration
- 35 and Titling Act, § 27-101-1001 et seq.;
- 36 (267) Motorboat certificate of title with beneficiary processing

1 fees and certificate of title application fees set forth in the Arkansas
2 Motorboat Registration and Titling Act, § 27-101-1001 et seq.;

3 (268) Ten percent (10%) of each booking and administration fee
4 collected under § 12-41-505;

5 (269) Expedited title processing fees collected under § 27-14-
6 705(e)(2);

7 (270) Driving record information fees collected under § 27-23-
8 117;

9 (271) Civil penalties collected under § 25-38-203;

10 (272) Fines collected under § 2-38-504;

11 (273) Fees collected under § 20-7-140;

12 (274) Processing fees collected under § 26-54-104(b)(1); and

13 (275) Digital asset mining business penalties under § 23-119-101
14 et seq.

15 16 CHAPTER 43

17 SPECIAL REVENUE FUNDS

18
19 Subchapter 1. General Provisions [Reserved.]

20 Subchapter 2. Enumeration of Special Revenue Funds

21 Subchapter 3. Enumeration of Special Revenue Funds, Continued

22
23 Subchapter 1 – General Provisions [Reserved.]

24
25 Subchapter 2 – Enumeration of Special Revenue Funds

26
27 19-43-201. Division of Aeronautics Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
30 fund to be known as the “Division of Aeronautics Fund”.

31 (b) The fund shall consist of those special revenues as specified in §
32 19-42-201(17).

33 (c) The fund shall be used by the Division of Aeronautics for:

34 (1) Distributing grants-in-aid to qualifying airports of the
35 state as authorized by law;

36 (2) Distributing grants to qualifying applicants as determined

1 by the Director of the Division of Aeronautics and the Aeronautics Commission
2 for any purpose related to:

3 (A) The development of aeronautics;

4 (B) The promotion of aeronautics; or

5 (C) Aviation education;

6 (3) The maintenance, operation, and improvement required in
7 carrying out the functions, powers, and duties set out in § 27-114-101 et
8 seq.; or

9 (4) Carrying out other duties imposed by law upon the division,
10 including without limitation the duties set out in § 27-115-110.

11
12 19-43-202. Division of Correction Farm Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
15 fund to be known as the "Division of Correction Farm Fund".

16 (b) The fund shall consist of those revenues as specified in § 19-42-
17 201(42).

18 (c) The fund shall be used for the maintenance, operation, and
19 improvement of the Division of Correction's farming operations.

20 (d) Any surplus accruing in the fund, upon determination of that
21 surplus, shall be transferred to the Division of Correction Inmate Care and
22 Custody Fund Account.

23
24 19-43-203. Division of Arkansas State Police Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
27 fund to be known as the "Division of Arkansas State Police Fund".

28 (b) The Division of Arkansas State Police Fund shall consist of:

29 (1) Those special revenues as specified in § 19-42-201(1), (7),
30 (8), (38)-(40), (94), (150), (168), (175), (184)-(186), (190), (218)-(220),
31 (222), (226), (227), (234), (252), and (270);

32 (2) Moneys transferred or deposited from the State
33 Administration of Justice Fund;

34 (3) Those general revenues as may be provided by law, there to
35 be used for the maintenance, operation, and improvement of the Division of
36 Arkansas State Police in carrying out the functions, powers, and duties as

1 stated in § 12-8-106 or other duties imposed by law upon the division;

2 (4) Any revenues credited to the Division of Arkansas State
3 Police Fund under the Division of Arkansas State Police Headquarters
4 Facilities and Equipment Financing Act, § 12-8-601 et seq.; and

5 (5) Federal reimbursements received for eligible expenditures by
6 the various programs of the division made payable from the Division of
7 Arkansas State Police Fund.

8
9 19-43-204. Arkansas Department of Transportation Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
12 fund to be known as the "Arkansas Department of Transportation Fund".

13 (b) The Arkansas Department of Transportation Fund shall consist of:

14 (1) That part of the special revenues as specified in § 19-42-
15 201(2)-(4), (22), (81), (105)-(107), (182), and (256), known as "highway
16 revenue", as distributed under the Arkansas Highway Revenue Distribution Law,
17 § 27-70-201 et seq., and § 27-70-103 and § 27-72-301 et seq.;

18 (2) Those special revenues specified in § 19-42-201(10), (152),
19 (187), and (239);

20 (3) Fifty percent (50%) of § 19-42-201(26);

21 (4) That portion of § 19-42-201(2) as set out in § 27-14-
22 601(a)(3)(H)(ii)(f);

23 (5) That portion of § 19-42-201(222);

24 (6) Those designated revenues as set out in § 26-56-201(e)(1),
25 which consist of the additional total of four cents (4¢) distillate special
26 fuel taxes to be distributed as provided in the Arkansas Highway Financing
27 Act of 1999, § 27-64-201 et seq.;

28 (7) Federal revenue sharing funds as set out in § 19-27-205;

29 (8) The special revenues specified in § 26-64-103, which consist
30 of the wholesale sales taxes on motor fuel and distillate special fuel;

31 (9) The special revenues specified in § 27-14-614, which consist
32 of the additional registration fees on electric vehicles and hybrid vehicles;
33 and

34 (10) Any federal funds that may become available.

35 (c) The Arkansas Department of Transportation Fund shall be used for
36 the maintenance, operation, and improvement required by the Arkansas

1 Department of Transportation in carrying out the functions, powers, and
2 duties as set out in Arkansas Constitution, Amendment 42, and §§ 27-65-102 –
3 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and the other laws of this
4 state prescribing the powers and duties of the department and the State
5 Highway Commission.

6
7 19-43-205. Arkansas Public Service Commission Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
10 fund to be known as the “Arkansas Public Service Commission Fund”.

11 (b) The fund shall consist of those special revenues as specified in §
12 19-42-201(70), (71), and (98).

13 (c) The fund shall be used for the maintenance, operation, and
14 improvement required by the Arkansas Public Service Commission in carrying
15 out the functions, powers, and duties as set out in § 23-2-101 et seq., or
16 other duties imposed by law upon the commission.

17
18 19-43-206. Liquefied Petroleum Gas Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
21 fund to be known as the “Liquefied Petroleum Gas Fund”.

22 (b) The fund shall consist of those special revenues as specified in
23 § 19-42-201(32).

24 (c) The fund shall be used for the maintenance, operation, and
25 improvement required by the Liquefied Petroleum Gas Board in carrying out the
26 functions, powers, and duties as set out in the Liquefied Petroleum Gas Board
27 Act, § 15-75-101 et seq., or other duties imposed by law upon the board.

28
29 19-43-207. State Plant Board Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
32 fund to be known as the “State Plant Board Fund”.

33 (b) The fund shall consist of:

34 (1) Those special revenues as specified in § 19-42-201(46),
35 (49)-(55), (122), (169), (221), and (225);

36 (2) Thirty-one cents (31¢) of the fertilizer inspection fees as

1 set out in § 19-42-201(48);

2 (3) All of those special revenues in § 19-42-201(47) with the
3 exception of ten cents (10¢) of the thirty cents (30¢) for tonnage reports;

4 (4) Nonrevenue receipts from the Fire Ant Poison Cost Sharing
5 Program, § 2-16-105;

6 (5) Fees and civil penalties collected under the Arkansas Rice
7 Certification Act, § 2-15-201 et seq.;

8 (6) Civil penalties collected under the Uniform Weights and
9 Measures Law, § 4-18-301 et seq.; and

10 (7) Those general revenues as may be provided by law.

11 (c) The fund shall be used for the maintenance, operation, and
12 improvement required by the State Plant Board in carrying out the functions,
13 powers, and duties as set out in the Arkansas Plant Act of 1917, § 2-16-201
14 et seq.

15

16 19-43-208. Poultry and Egg Grading Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
19 fund to be known as the "Poultry and Egg Grading Fund".

20 (b) The fund shall consist of that portion of those special revenues
21 derived from the poultry and egg industry as specified in § 19-42-201(34).

22 (c) The fund shall be used for the maintenance, operation, and
23 improvement required by the Arkansas Livestock and Poultry Commission poultry
24 and egg grading programs, in carrying out the functions, powers, and duties
25 as set out in § 2-33-101 et seq., or other duties imposed by law upon the
26 commission.

27

28 19-43-209. Oil and Gas Commission Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
31 fund to be known as the "Oil and Gas Commission Fund".

32 (b) The fund shall consist of those special revenues as specified in §
33 19-42-201(62), (111), and (275) and § 14-1-606.

34 (c) The fund shall be used for:

35 (1) The maintenance, operation, and improvement required by the
36 Oil and Gas Commission in carrying out the functions, powers, and duties as

1 set out in § 15-72-101 et seq., § 23-119-101 et seq., and other applicable
2 law;

3 (2) Payment of expenses of the Office of the State Geologist
4 under § 15-71-107(b)(2)(B); or

5 (3) Other duties imposed by law upon the commission.
6

7 19-43-210. State Forestry Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
10 fund to be known as the "State Forestry Fund".

11 (b) The fund shall consist of:

12 (1) Those special revenues as specified in § 19-42-201(6) and
13 (18) excluding twenty-five percent (25%) of all other severance taxes as set
14 out in § 19-42-201(18);

15 (2) Fifty percent (50%) of the special revenues set out in § 19-
16 42-201(26); and

17 (3) Such general revenues as may be provided by law.

18 (c) The fund shall be used for the maintenance, operation, and
19 improvement required by the Arkansas Forestry Commission in carrying out the
20 functions, powers, and duties as set out in § 15-31-101 et seq., or other
21 duties imposed by law upon the commission.
22

23 19-43-211. State Bank Department Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
26 fund to be known as the "State Bank Department Fund".

27 (b) The fund shall consist of those special revenues as set out in §
28 19-42-201(28)-(30).

29 (c) The fund shall be used for the maintenance, operation, and
30 improvement required by the State Bank Department in carrying out the
31 functions, powers, and duties as set out in §§ 23-46-201 – 23-46-207, or
32 other duties imposed by law upon the department.
33

34 19-43-212. State Board of Appraisers, Abstracters, and Home Inspectors
35 Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
2 fund to be known as the "State Board of Appraisers, Abstracters, and Home
3 Inspectors Fund".

4 (b) The fund shall consist of those special revenues as specified in §
5 19-42-201(93).

6 (c) The fund shall be used for the maintenance, operation, and
7 improvement of the State Board of Appraisers, Abstracters, and Home
8 Inspectors.

9

10 19-43-213. Department of Health Plumbers Licensing Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Department of Health Plumbers Licensing Fund".

14 (b) The fund shall consist of those special revenues as specified in
15 § 19-42-201(64).

16 (c) The fund shall be used for the maintenance, operation, and
17 improvement required by the Plumbing Section of the Environmental Health
18 Services Division of the Department of Health in carrying out the powers,
19 functions, and duties as set out in § 17-38-101 et seq., and for paying the
20 expenses of administering such funds as may be authorized by law.

21

22 19-43-214. Office of Hazardous Materials Emergency Management
23 Revolving Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
26 fund to be known as the "Office of Hazardous Materials Emergency Management
27 Revolving Fund".

28 (b) The fund shall consist of those special revenues as specified in §
29 19-42-201(115).

30 (c) The fund shall be used for:

31 (1) The operations of the State Office of Hazardous Materials
32 Emergency Management; and

33 (2) The enforcement of the Arkansas HAZMAT Emergency Management
34 Act, § 12-84-101 et seq.

35

36 19-43-215. Soybean Promotion Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
3 fund to be known as the "Soybean Promotion Fund".

4 (b) The fund shall consist of those special revenues as specified in
5 § 19-42-201(12).

6 (c) The fund shall be used for the maintenance, operation, and
7 improvement as required by the Arkansas Soybean Promotion Board in carrying
8 out the powers, functions, and duties as set out in § 2-20-401 et seq.

9
10 19-43-216. Game Protection Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Game Protection Fund".

14 (b) The fund shall consist of:

15 (1) Those special revenues as specified in § 19-42-201(63);

16 (2) Thirty-four percent (34%) of those special revenues as
17 specified in § 19-42-201(20);

18 (3) License plate design-use contribution fees collected under §
19 27-24-905(b)(2); and

20 (4) Any other revenue authorized by law.

21 (c) The fund shall be used for the maintenance, operation, and
22 improvement required by the Arkansas State Game and Fish Commission in
23 carrying out the functions, powers, and duties as set out in Arkansas
24 Constitution, Amendment 35, and other laws enacted by the General Assembly.

25
26 19-43-217. Indigent Patient's Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
29 fund to be known as the "Indigent Patient's Fund".

30 (b) The fund shall consist of those special revenues as specified in §
31 19-42-201(15).

32 (c) The fund shall be used:

33 (1) To defray the cost of hospitalization and medical services
34 provided to indigent Arkansas patients; and

35 (2) For such other purposes as may be authorized or appropriated
36 by law.

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19-43-218. Division of Correction Prison Industry Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Division of Correction Prison Industry Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(43).

(c) The fund shall be used for the maintenance, operation, and improvement of the Division of Correction's prison industries activities.

19-43-219. Arkansas Motor Vehicle Commission Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Motor Vehicle Commission Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(99).

(c) The fund shall be used for the operation, maintenance, improvement, and motor vehicle education and training required by the Arkansas Motor Vehicle Commission in exercising the powers, functions, and duties as set out in the Arkansas Motor Vehicle Commission Act, § 23-112-101 et seq.

19-43-220. Arkansas Public Service Commission Utility Safety Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Public Service Commission Utility Safety Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(100).

(c) The fund shall be used for the maintenance, operation, and improvement of the Office of Pipeline Safety of the Arkansas Public Service Commission in exercising the powers, functions, and duties as set out in the Arkansas Natural Gas Pipeline Safety Act of 1971, § 23-15-201 et seq.

19-43-221. Arkansas Museum of Natural Resources Fund.

(a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
2 fund to be known as the "Arkansas Museum of Natural Resources Fund".

3 (b) The fund shall consist of those special revenues as specified in §
4 19-42-201(61) and (101).

5 (c) The fund shall be used for the construction, maintenance,
6 operation, and improvement of the Arkansas Museum of Natural Resources in
7 exercising the powers, functions, and duties as set out in § 13-5-401 et
8 seq., and for paying the expenses of administering such funds by the
9 Department of Parks, Heritage, and Tourism as may be authorized by law.

10

11 19-43-222. Manufactured Home Standards 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 "Manufactured Home Standards Fund".

15 (b) The fund shall consist of those special revenues as specified in
16 § 19-42-201(102).

17 (c) The fund shall be used for the maintenance, operation, and
18 improvement of the Arkansas Manufactured Home Commission in exercising the
19 powers, functions, and duties as set out in the Arkansas Manufactured Homes
20 Standards Act, § 20-25-101 et seq.

21

22 19-43-223. Arkansas Veterinary Medical Practice Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
25 fund to be known as the "Arkansas Veterinary Medical Practice Fund".

26 (b) The fund shall consist of those special revenues as specified in §
27 19-42-201(95).

28 (c) The fund shall be used:

29 (1) For the operation, maintenance, and improvement of the
30 Arkansas Livestock and Poultry Commission in exercising the powers,
31 functions, and duties as set out in the Arkansas Veterinary Medical Practice
32 Act, § 17-101-101 et seq.; and

33 (2) To fund:

34 (A) The Agri Scholarship Program created under § 25-38-212
35 and administered by the Department of Agriculture, with deposits to the Agri
36 Scholarship Program Fund in the amount of up to thirty thousand dollars

1 (\$30,000) per year; and

2 (B) The Rural Veterinary Student Scholarship Program, §
3 17-101-205.

4
5 19-43-224. Community Correction Revolving Fund.

6 (a) There is created on the books of the Treasurer of State, the
7 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
8 fund to be known as the "Community Correction Revolving Fund".

9 (b) The fund shall consist of:

10 (1) Those special revenues as specified in § 19-42-201(31); and

11 (2) Fees and sanctions levied by the courts or authorized by the
12 Board of Corrections for participation in specified programs to be paid by
13 offenders on community correction.

14 (c) The fund shall be used for continuation and expansion of community
15 correction programs as established and approved by the board and as may be
16 provided by law.

17
18 19-43-225. Livestock and Poultry Equine Infectious Anemia Control
19 Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
22 fund to be known as the "Livestock and Poultry Equine Infectious Anemia
23 Control Fund".

24 (b) The fund shall consist of those special revenues as specified in §
25 19-42-201(195).

26 (c) The fund shall be used for the purpose of defraying the costs of
27 services performed in the Equine Infectious Anemia Control and Eradication
28 Program as provided in § 2-40-801 et seq.

29
30 19-43-226. Hazardous Waste Permit Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
33 fund to be known as the "Hazardous Waste Permit Fund".

34 (b) The fund shall consist of those special revenues as specified in §
35 19-42-201(59) and (237).

36 (c) The fund shall be used by the Division of Environmental Quality to

1 ensure the proper administration and enforcement of §§ 8-7-201 – 8-7-226 and
2 the Phase I Environmental Site Assessment Consultant Act, § 8-7-1301 et seq.

3
4 19-43-227. Arkansas Nuclear Planning and Response Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
7 fund to be known as the “Arkansas Nuclear Planning and Response Fund”.

8 (b) The fund shall consist of those special revenues as specified in §
9 19-42-201(60).

10 (c) The fund shall be used for the operation and maintenance of the
11 Nuclear Planning and Response Program, as provided in § 20-21-401 et seq.

12
13 19-43-228. Milk Inspection Fees Fund.

14 (a) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
16 fund to be known as the “Milk Inspection Fees Fund”.

17 (b) The fund shall consist of:

18 (1) Those special revenues as specified in § 19-42-201(73); and

19 (2) Any other revenues as may be provided by law.

20 (c) The fund shall be used exclusively for the purpose of defraying
21 the cost of maintenance, operation, and improvement of the Grade “A” milk and
22 milk products inspection program.

23
24 19-43-229. Arkansas Board of Dispensing Opticians’ Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
27 fund to be known as the “Arkansas Board of Dispensing Opticians’ Fund”.

28 (b) The fund shall consist of those special revenues as specified in §
29 19-42-201(108).

30 (c) The fund shall be used for the administration, coordination, and
31 enforcement of the Ophthalmic Dispensing Act, § 17-89-101 et seq.

32
33 19-43-230. Arkansas State Board of Nursing Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
36 fund to be known as the “Arkansas State Board of Nursing Fund”.

1 (b) The fund shall consist of those special revenues as specified in §
2 19-42-201(109).

3 (c) The fund shall be used by the Arkansas State Board of Nursing in
4 exercising the powers, functions, and duties as provided in § 17-87-101 et
5 seq.

6
7 19-43-231. Social Work Licensing Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
10 fund to be known as the "Social Work Licensing Fund".

11 (b) The fund shall consist of those special revenues as specified in §
12 19-42-201(110).

13 (c) The fund shall be used by the Arkansas Social Work Licensing Board
14 in exercising the powers, functions, and duties as set out in the Social Work
15 Licensing Act, § 17-103-101 et seq.

16
17 19-43-232. Arkansas Beef Council Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
20 fund to be known as the "Arkansas Beef Council Fund".

21 (b) The fund shall consist of those special revenues as specified in §
22 19-42-201(113).

23 (c) The fund shall be used in such manner as the Arkansas Beef Council
24 deems appropriate for Arkansas beef promotion and research and for the
25 operation and maintenance of the council office and payment of expenses of
26 the council members as set out in § 2-35-301 et seq.

27
28 19-43-233. County and Circuit Clerks Continuing Education Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
31 fund to be known as the "County and Circuit Clerks Continuing Education
32 Fund".

33 (b) The fund shall consist of those special revenues as specified in §
34 19-42-201(119).

35 (c) The fund shall be used for defraying the expenses of training
36 seminars and other educational projects benefiting county and circuit clerks

1 in this state as set out in §§ 16-20-105 and 16-20-110 and § 26-60-101 et
2 seq.

3

4 19-43-234. Arkansas Child Passenger Protection Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
7 fund to be known as the "Arkansas Child Passenger Protection Fund".

8 (b) The fund shall consist of:

9 (1) Those special revenues as specified in § 19-42-201(67); and

10 (2) Other moneys that may be appropriated, allocated, or donated
11 to the fund.

12 (c) The fund shall be used by the Arkansas Highway Safety Program for
13 the purchase of child passenger safety seats as provided in the Child
14 Passenger Protection Act, § 27-34-101 et seq.

15

16 19-43-235. Arkansas Wine Producers Council Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
19 fund to be known as the "Arkansas Wine Producers Council Fund".

20 (b) The fund shall consist of all funds as may be authorized by law.

21 (c) The fund shall be used for promoting the Arkansas native wine
22 industry, as directed by the Arkansas Wine Producers Council and as provided
23 in § 3-5-701 et seq.

24

25 19-43-236. Arkansas Corn and Grain Sorghum Promotion Board Fund.

26 (a) There is created on the books of the Treasurer of State, the
27 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
28 fund to be known as the "Arkansas Corn and Grain Sorghum Promotion Board
29 Fund".

30 (b) The fund shall consist of those special revenues as specified in §
31 19-42-201(196).

32 (c) The fund shall be used for administration, research, and extension
33 to promote the corn and grain sorghum industry, as provided in § 2-20-801 et
34 seq.

35

36 19-43-237. DNA Detection Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
3 fund to be known as the "DNA Detection Fund".

4 (b) The fund shall consist of those special revenues as specified in §
5 19-42-201(197).

6 (c) The fund shall be used for the administration of the State
7 Convicted Offender DNA Data Base Act, § 12-12-1101 et seq.

8
9 19-43-238. Arkansas Livestock and Poultry Commission Disease and Pest
10 Control Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Arkansas Livestock and Poultry Commission Disease
14 and Pest Control Fund".

15 (b) The fund shall consist of:

16 (1) Those special revenues as specified in § 19-42-201(126);
17 and

18 (2) Any funds authorized by law.

19 (c) The fund shall be used in order to fund or partially fund the
20 bovine disease control and eradication program as provided in § 2-40-206.

21
22 19-43-239. Arkansas Wheat Promotion Fund.

23 (a) There is created on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
25 fund to be known as the "Arkansas Wheat Promotion Fund".

26 (b) The fund shall consist of those special revenues as specified in §
27 19-42-201(127),

28 (c) The fund shall be used for the operation of the Arkansas Wheat
29 Promotion Board as provided in §§ 2-20-601 – 2-20-609.

30
31 19-43-240. Individual Sewage Disposal Systems Improvement Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
34 fund to be known as the "Individual Sewage Disposal Systems Improvement
35 Fund".

36 (b) The fund shall consist of that portion of those special revenues

1 as specified in § 19-42-201(58).

2 (c) The fund shall be used by the Division of Environmental Health
3 Protection of the Department of Health for, and in the manner recommended by,
4 the Individual Sewage Disposal Systems Advisory Committee for implementation
5 of the utilization and application of alternate and experimental individual
6 sewage disposal systems as provided in the Arkansas Sewage Disposal Systems
7 Act, § 14-236-101 et seq.

8

9 19-43-241. Arkansas Rice Research and Promotion Board Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
12 fund to be known as the "Arkansas Rice Research and Promotion Board Fund".

13 (b) The fund shall consist of those special revenues as specified in §
14 19-42-201(35).

15 (c) The fund shall be used for the operation of the Arkansas Rice
16 Research and Promotion Board as provided in the Arkansas Rice Research and
17 Promotion Act of 1999, § 2-20-501 et seq.

18

19 19-43-242. Asbestos Control Fund.

20 (a) There is created on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
22 fund to be known as the "Asbestos Control Fund".

23 (b) The fund shall consist of the special revenues specified in § 19-
24 42-201(130) and any other revenues authorized by law.

25 (c) The fund shall be used to administer and enforce a program for
26 licensing contractors engaged in the removal of friable asbestos materials
27 from facilities by the Division of Environmental Quality under §§ 20-27-1001
28 - 20-27-1007.

29

30 19-43-243. Boating Safety Account Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
33 fund to be known as the "Boating Safety Account Fund".

34 (b) The fund shall consist of those special revenues as specified in §
35 19-42-201(20).

36 (c) The fund shall be distributed in the manner and to the various

1 funds as provided in § 27-101-111.

2

3 19-43-244. Firemen's and Police Officers' Pension and Relief Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
6 fund to be known as the "Firemen's and Police Officers' Pension and Relief
7 Fund".

8 (b) The fund shall consist of those special revenues as specified in §
9 19-42-201(27).

10 (c) The fund shall be used for distribution to the various qualified
11 city, town, or fire protection district police officers' pension and relief
12 funds and firemen's pension funds as provided in § 24-11-301.

13

14 19-43-245. Sex Offenders Registration Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
17 fund to be known as the "Sex Offenders Registration Fund".

18 (b) The fund shall consist of those special revenues as specified in §
19 19-42-201(198).

20 (c) The fund shall be used for the administration of the Sex Offender
21 Registration Act of 1997, § 12-12-901 et seq.

22

23 19-43-246. Nursing Home Personnel Training Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
26 fund to be known as the "Nursing Home Personnel Training Fund".

27 (b) The fund shall consist of those special revenues as specified in §
28 19-42-201(138).

29 (c) The fund shall be used by the Office of Long-Term Care of the
30 Division of Medical Services of the Department of Human Services for
31 development and implementation of training programs as provided in § 20-10-
32 401 et seq.

33

34 19-43-247. Developmental Disabilities Services – Dog Track Special
35 Revenue Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
2 fund to be known as the “Developmental Disabilities Services – Dog Track
3 Special Revenue Fund”.

4 (b) The fund shall consist of those special revenues as specified in §
5 19-42-201(16).

6 (c) The fund shall be used for the sole benefit of community programs
7 of the Division of Developmental Disabilities Services of the Department of
8 Human Services that are licensed by the division.

9

10 19-43-248. Commercial Driver License Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the “Commercial Driver License Fund”.

14 (b) The fund shall consist of those special revenues as specified in:

15 (1) Section 19-42-201(148), to be used to establish and maintain
16 the Arkansas Commercial Driver License Program and for other related purposes
17 as required by the Secretary of the Department of Finance and Administration
18 in carrying out the functions, powers, and duties of the Revenue Division of
19 the Department of Finance and Administration, as set out in the Arkansas
20 Uniform Commercial Driver License Act, § 27-23-101 et seq.;

21 (2) Section 19-42-201(255), to be used for system enhancements
22 to the Arkansas Motor Carrier System and for other related purposes as
23 required by the secretary in carrying out the functions, powers, and duties
24 of the division; and

25 (3) Section 19-42-201(266) and (267) and § 19-42-201(269).

26

27 19-43-249. Crime Lab Equipment Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
30 fund to be known as the “Crime Lab Equipment Fund”.

31 (b) The fund shall consist of:

32 (1) Those special revenues as specified in § 19-42-201(30); and

33 (2) Other moneys as authorized by law.

34 (c) The fund shall be used only for the purchase of equipment,
35 constructing and equipping regional crime laboratories, and for the personal
36 services and operating expenses of regional crime laboratories as provided in

1 § 12-12-323.

2

3 19-43-250. Private Career Education Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
6 fund to be known as the "Private Career Education Fund".

7 (b) The fund shall consist of those special revenues as specified in §
8 19-42-201(24).

9 (c) The fund shall be used for the maintenance and operations of the
10 Division of Higher Education concerning the State Board of Private Career
11 Education in carrying out the functions, powers, and duties as set out in §
12 6-51-601 et seq.

13

14 19-43-251. Regulated Substance Storage Tank Program Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
17 fund to be known as the "Regulated Substance Storage Tank Program Fund".

18 (b) The fund shall consist of:

19 (1) Those special revenues as specified in § 19-42-201(153);

20 (2) Federal funds; and

21 (3) Any state matching funds as may be provided by the General
22 Assembly.

23 (c) The fund shall be used for the administration of the regulated
24 substance storage tank program as provided in § 8-7-801 et seq.

25

26 19-43-252. Arkansas Catfish Promotion Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
29 fund to be known as the "Arkansas Catfish Promotion Fund".

30 (b) The fund shall consist of those special revenues as specified in §
31 19-42-201(151).

32 (c) The fund shall be used for Arkansas catfish promotion and research
33 and for the operation and maintenance of the Arkansas Catfish Promotion Board
34 office and payment of board member expenses, as provided in § 2-9-112.

35

36 19-43-253. Child Care Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
3 fund to be known as the "Child Care Fund".

4 (b) The fund shall consist of:

5 (1) Those special revenues as specified in § 19-42-201(133) and
6 (157); and

7 (2) Moneys received from the Department of Human Services.

8 (c) The fund shall be used by the Division of Child Care and Early
9 Childhood Education of the Department of Human Services exclusively to
10 provide grants to child care facilities for enhancement of the facility or
11 for training of personnel in child care facilities and to meet the costs of
12 conducting the statewide criminal records checks required under § 20-78-606,
13 all as provided in the Childcare Facility Licensing Act, § 20-78-201 et seq.

14
15 19-43-254. Arkansas Livestock and Poultry Commission Swine Testing
16 Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
19 fund to be known as the "Arkansas Livestock and Poultry Commission Swine
20 Testing Fund".

21 (b) The fund shall consist of those special revenues as specified in §
22 19-42-201(159).

23 (c) The fund shall be used for the pseudorabies control and
24 eradication program as provided in § 2-40-1201.

25
26 19-43-255. Work Force 2000 Development Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
29 fund to be known as the "Work Force 2000 Development Fund".

30 (b) The fund shall consist of:

31 (1) Those special revenues as specified in § 19-42-201(163); and

32 (2) All other revenues as may be authorized by law.

33 (c) The fund shall be used exclusively for the authorized educational
34 activities of those entities as set out in § 26-51-205(d)(1)(A) and (B) and
35 as distributed under § 26-51-205(d)(2).

36

1 19-43-256. Fire Protection Premium Tax Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
4 fund to be known as the "Fire Protection Premium Tax Fund".

5 (b) The Fire Protection Premium Tax Fund shall consist of those
6 special revenues as specified in § 19-42-201(164).

7 (c) The Fire Protection Premium Tax Fund shall be used for fire
8 protection services as provided in § 26-57-614 and § 14-284-401 et seq.

9 (d)(1) The Insurance Commissioner shall immediately deposit all moneys
10 collected under § 26-57-614 and § 14-284-401 et seq. into the Revenue Holding
11 Fund Account as provided in § 19-21-104.

12 (2) On the last business day of each quarter, the Chief Fiscal
13 Officer of the State shall determine the amount of net special revenues to be
14 transferred to the Fire Protection Premium Tax Fund by the Treasurer of
15 State.

16 (3) By the last business day of the quarter after July 1, 2023,
17 and by the last business day of each following quarter, the Chief Fiscal
18 Officer of the State shall:

19 (A) Determine the amount of collections deposited into the
20 Fire Protection Premium Tax Fund during the current quarter and the amount of
21 collections deposited into the Fire Protection Premium Tax Fund during the
22 same quarter of the immediately preceding year;

23 (B) Certify the amount by which the collections deposited
24 into the Fire Protection Premium Tax Fund for the current quarter exceed the
25 amount of collections deposited into the Fire Protection Premium Tax Fund
26 during the same quarter of the immediately preceding year; and

27 (C) Transfer fifty percent (50%) of the amount certified
28 under subdivision (d)(3)(B) of this section to the Fire Services Fund.

29 (4) The Chief Fiscal Officer of the State shall be the
30 disbursing officer for the Fire Protection Premium Tax Fund, and shall
31 distribute the moneys as provided in § 26-57-614 and § 14-284-401 et seq.

32 (e)(1) The commissioner shall disburse any refunds that may be due
33 insurance carriers from the Miscellaneous Revolving Fund after certifying to
34 the Chief Fiscal Officer of the State the amount to be refunded.

35 (2) The Chief Fiscal Officer of the State shall direct that the
36 amount certified under subdivision (e)(1) of this section be transferred from

1 the Revenue Holding Fund Account to the Miscellaneous Revolving Fund as
2 provided in § 19-20-106(a)(3).

3 (f) Beginning January 1, 2024, any funds that remain unclaimed in the
4 Fire Protection Premium Tax Fund for over two (2) of the immediately prior
5 calendar years shall be transferred to a cash fund and deposited into the
6 State Treasury as determined by the Chief Fiscal Officer of the State to be
7 used exclusively by the Arkansas Fire Protection Services Board for Fire
8 Protection Services grants.

9

10 19-43-257. HVACR Licensing Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "HVACR Licensing Fund".

14 (b) The fund shall consist of those special revenues as specified in §
15 19-42-201(160).

16 (c) The fund shall be used for the maintenance, operation, and
17 improvement of the Heating, Ventilation, Air Conditioning, and Refrigeration
18 (HVACR) Licensing and Inspection program of the Department of Health as
19 provided in § 17-33-201 et seq.

20

21 19-43-258. Marketing Recyclables Program Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
24 fund to be known as the "Marketing Recyclables Program Fund".

25 (b) The fund shall consist of those special revenues as specified in §
26 19-42-201(162).

27 (c) The fund shall be used by the Compliance Advisory Panel for the
28 Marketing Recyclables Program of the Compliance Advisory Panel for the
29 administration and performance of its duties, as administered by the Division
30 of Environmental Quality under § 8-9-201 et seq.

31

32 19-43-259. Elder Person and Person with a Disability Victims Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
35 fund to be known as the "Elder Person and Person with a Disability Victims
36 Fund".

1 (b) The fund shall consist of those special revenues as specified in §
2 19-42-201(170).

3 (c) The fund shall be used for the investigation and prosecution of
4 deceptive acts against elder persons and individuals with disabilities and
5 for consumer education initiatives directed toward elder persons and
6 individuals with disabilities, law enforcement officers, the judicial system,
7 social services professionals, and the general public on the provisions of
8 the Deceptive Trade Practices Act, § 4-88-101 et seq., and related statutes.

9
10 19-43-260. State Police Equipment Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "State Police Equipment Fund".

14 (b) The fund shall consist of:

15 (1) Fifty percent (50%) of those special revenues as specified
16 in § 19-42-201(176) and (235); and

17 (2) Thirty-eight percent (38%) of the fees collected under § 12-
18 12-1510(c).

19 (c) The fund shall be used for:

20 (1) The acquisition, operation, and expansion of an automated
21 fingerprint identification system;

22 (2) Personal services and operating expenses for conducting
23 criminal background checks for noncriminal justice purposes;

24 (3) Those purposes as set out in § 12-12-1012(b) and § 12-12-
25 1609; and

26 (4) Personal services and operating expenses as provided by law.

27 (d) Moneys remaining in the fund at the end of each fiscal year shall
28 carry forward and be made available for the purposes stated in this section
29 in the next fiscal year.

30
31 19-43-261. State Securities Department Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
34 fund to be known as the "State Securities Department Fund".

35 (b) The fund shall consist of:

36 (1) The first two million five hundred thousand dollars

1 (\$2,500,000) of those special revenues as specified in § 19-42-201(173),
2 (174), (245), and (259); and

3 (2) Such other funds as may be provided by law or regulatory
4 action.

5 (c) The fund shall be used for maintenance, operation, support, and
6 improvement of the State Securities Department in carrying out its functions,
7 powers, and duties as set out by law and by rules not inconsistent with law,
8 as set out in § 23-42-211.

9

10 19-43-262. Governor's Commission on People with Disabilities Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Governor's Commission on People with Disabilities
14 Fund".

15 (b) The fund shall consist of those special revenues as specified in §
16 19-42-201(200).

17 (c) The fund shall be used to fund activities of the Governor's
18 Commission on People with Disabilities, as set out in § 27-15-305.

19

20 19-43-263. Economic Development Incentive Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
23 fund to be known as the "Economic Development Incentive Fund".

24 (b) The fund shall consist of those special revenues as specified in §
25 19-42-201(181).

26 (c) The fund shall be used for financial incentive plans to provide
27 businesses with an incentive to locate a new facility or expand an existing
28 facility in Arkansas and for the other purposes as set out in the Arkansas
29 Economic Development Incentive Act of 1993, § 15-4-1601 et seq.

30

31 19-43-264. Livestock and Poultry Special Revenue Fund.

32 (a) There is created on the books of the Treasurer of State, the
33 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
34 fund to be known as the "Livestock and Poultry Special Revenue Fund".

35 (b) The Livestock and Poultry Special Revenue Fund shall consist of
36 those special revenues as specified in § 19-42-201(33) and (34) and §§ 2-5-

1 204, 2-5-206, and 2-6-106 that are not required for support of the Arkansas
2 Livestock and Poultry Commission Poultry and Egg Grading Program.

3 (c) The Livestock and Poultry Special Revenue Fund shall be used for
4 those purposes as set out by law.

5 (d) The Director of the Arkansas Livestock and Poultry Commission,
6 with the approval of the Chief Fiscal Officer of the State, may transfer
7 funds from the Livestock and Poultry Special Revenue Fund to the Livestock
8 and Poultry Fund Account.

9
10 19-43-265. Telecommunications Equipment Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Telecommunications Equipment Fund".

14 (b) The fund shall consist of those special revenues as specified in §
15 19-42-201(129).

16 (c) The fund shall be used exclusively by Arkansas Rehabilitation
17 Services to fund an equipment distribution program for persons certified as
18 deaf, hard of hearing, deaf and blind, or speech-impaired as otherwise
19 provided in § 20-79-401 et seq.

20
21 19-43-266. Conservation Tax Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
24 fund to be known as the "Conservation Tax Fund".

25 (b) The Conservation Tax Fund shall consist of those special revenues
26 as specified in § 19-42-201(193), there to be distributed to the fund
27 accounts as set out below, which are created by this section unless
28 specifically created in other provisions of the Arkansas Code, and under the
29 following procedures:

30 (1) The Revenue Division of the Department of Finance and
31 Administration shall deposit the funds collected under the Arkansas Gross
32 Receipts Act of 1941, § 26-52-101 et seq., for gross receipts taxes and the
33 Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., for compensating
34 taxes into the State Treasury, there to be credited to the Revenue Holding
35 Fund Account;

36 (2)(A) On the last day of each month, the Chief Fiscal Officer

1 of the State shall certify to the Treasurer of State the estimated amount of
2 gross receipts and compensating tax collections in the Revenue Holding Fund
3 Account that are a result of the changes by the passage of Arkansas
4 Constitution, Amendment 75.

5 (B) The Treasurer of State shall then transfer the amount
6 so certified to the Special Revenue Fund Account as part of the gross special
7 revenues.

8 (C) After the deductions as set out in § 19-21-103 have
9 been made, the remaining amount shall be credited to the Conservation Tax
10 Fund.

11 (D) The remaining gross receipts and compensating tax
12 collections remaining in the Revenue Holding Fund Account shall be credited
13 to the General Revenue Fund Account, there to be distributed with the other
14 gross general revenue collections for that month in accordance with the
15 provisions of § 19-21-101 et seq.; and

16 (3) The Treasurer of State shall then make the following
17 transfers from the Conservation Tax Fund to the fund accounts set out below
18 at the end of each month:

19 (A) Forty-five percent (45%) to the Game Protection Fund
20 to be used exclusively by the Arkansas State Game and Fish Commission as
21 appropriated by the General Assembly;

22 (B) Forty-five percent (45%) to the Department of Parks,
23 Heritage, and Tourism Fund Account to be used by the Department of Parks,
24 Heritage, and Tourism for state park purposes as appropriated by the General
25 Assembly;

26 (C) Nine percent (9%) to the Arkansas Division of Heritage
27 Special Fund Account to be used exclusively by the Division of Arkansas
28 Heritage as appropriated by the General Assembly; and

29 (D)(i) One percent (1%) to the Keep Arkansas Beautiful
30 Fund Account to be used exclusively by the Keep Arkansas Beautiful Commission
31 as appropriated by the General Assembly.

32 (ii) The Keep Arkansas Beautiful Fund Account also
33 shall consist of the special revenues as specified in § 19-42-201(203).

34

35 19-43-267. Department of Health Technology Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
2 fund to be known as the "Department of Health Technology Fund".

3 (b) The fund shall consist of:

4 (1) Three dollars (\$3.00) of the five-dollar fee levied by § 20-
5 7-123(b)(1)(F);

6 (2) The four-dollar fee levied by § 20-7-123(b)(1)(G)(i);

7 (3) The one-dollar fee levied by § 20-7-123(b)(1)(G)(ii); and

8 (4) Three dollars (\$3.00) of the five-dollar fee levied by § 20-
9 7-123(b)(1)(H)(i)(a).

10 (c) The fund shall be used exclusively by the Department of Health for
11 the purchase of computer hardware and software, the conversion cost of
12 scanning data into its computer system, and related activities.

13

14 19-43-268. Catastrophic Reserve Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
17 fund to be known as the "Catastrophic Reserve Fund".

18 (b) The Catastrophic Reserve Fund shall consist of such funds as may
19 be provided by the General Assembly.

20 (c) The Catastrophic Reserve Fund shall be used to distribute moneys
21 to one (1) or more funds or fund accounts in the Revenue Stabilization Law, §
22 19-20-101 et seq.

23 (d)(1) After determining the estimated amount of general revenue that
24 will be available for allocation to the state agencies under the Revenue
25 Stabilization Law, § 19-20-101 et seq., and after making the determination
26 required by § 19-27-283(c) and prior to making any transfers deemed necessary
27 by the Chief Fiscal Officer of the State in § 19-27-283(d), the Chief Fiscal
28 Officer of the State may transfer funds from the Catastrophic Reserve Fund in
29 the event a revenue shortfall exists to meet the state's financial obligation
30 to provide an adequate educational system for the state and to provide for
31 the effective operation of state government. In the event the Chief Fiscal
32 Officer of the State determines that a revenue shortfall exists as defined as
33 a circumstance when the official forecast of gross general revenue certified
34 by the Chief Fiscal Officer of the State is projected to increase less than
35 three percent (3%) over and above the gross general revenue collections of
36 the previous fiscal year due to changes in economic conditions, the Chief

1 Fiscal Officer of the State may then transfer funds from the Catastrophic
2 Reserve Fund, as approved by a vote of at least two-thirds ($\frac{2}{3}$) of the members
3 of the Legislative Council or at least two-thirds ($\frac{2}{3}$) of the members of the
4 Joint Budget Committee, to various funds and fund accounts, as deemed
5 necessary, in the Revenue Stabilization Law, § 19-20-101 et seq., for the
6 purpose of meeting unanticipated shortfalls in state general revenue.

7 (2) Or the Chief Fiscal Officer of the State may transfer funds
8 from the Catastrophic Reserve Fund to the Economic Development Superprojects
9 Project Fund for projects authorized under Arkansas Constitution, Amendment
10 82, as approved by the Governor and at least two-thirds ($\frac{2}{3}$) of the members of
11 the Legislative Council or at least two-thirds ($\frac{2}{3}$) of the members of the
12 Joint Budget Committee.

13 (3)(A) The Chief Fiscal Officer of the State may make a one-time
14 transfer of up to fifty million dollars (\$50,000,000) from the Catastrophic
15 Reserve Fund or its successor fund or fund accounts to the General Revenue
16 Allotment Reserve Fund before March 31, 2022.

17 (B) A transfer under subdivision (d)(3)(A) of this section
18 is not subject to the procedures established in subsection (e) of this
19 section.

20 (e)(1) Upon recommendation by the Chief Fiscal Officer of the State,
21 the Governor may determine that circumstances exist that meet the
22 requirements for the utilization of the Catastrophic Reserve Fund as set out
23 in this section, and the procedures under this section shall apply.

24 (2) When the Governor determines there is a need requiring
25 transfer from the Catastrophic Reserve Fund, he or she shall instruct the
26 Chief Fiscal Officer of the State to prepare and submit written documentation
27 to the Legislative Council or the Joint Budget Committee. Such documentation
28 shall include:

29 (A) Sufficient financial data that will enable the
30 verification of the existence of an emergency and the amount necessary to
31 address the need for funds from the Catastrophic Reserve Fund;

32 (B) A proposed distribution of moneys from the
33 Catastrophic Reserve Fund to one (1) or more funds or fund accounts in the
34 Revenue Stabilization Law, § 19-20-101 et seq., or to the Economic
35 Development Superprojects Project Fund, or both; and

36 (C) A statement certifying that no other funds are

1 available that could be transferred in lieu of the funds in the Catastrophic
2 Reserve Fund.

3 (3) Documentation under subdivision (e)(2) of this section shall
4 be submitted to the Legislative Council or Joint Budget Committee for
5 approval before the implementation of the proposed distribution.

6 (4)(A) The Chief Fiscal Officer of the State, after having
7 sought and received prior approval of at least two-thirds ($\frac{2}{3}$) of the members
8 of the Legislative Council or at least two-thirds ($\frac{2}{3}$) of the members of the
9 Joint Budget Committee, shall cause the required transfers to be made on his
10 or her books and on the books of the Treasurer of State and the Auditor of
11 State from the Catastrophic Reserve Fund to the appropriate funds and fund
12 accounts in the Revenue Stabilization Law, § 19-20-101 et seq., or to the
13 Economic Development Superprojects Project Fund, or both.

14 (B) In no event shall the amounts transferred in any
15 fiscal year to the funds and fund accounts in the Revenue Stabilization Law,
16 § 19-20-101 et seq., by this section cause the general revenues to exceed the
17 maximum allocations authorized in the Revenue Stabilization Law, § 19-20-101
18 et seq.

19 (f) Determining the maximum amount of appropriation and general
20 revenue funding for a state agency each fiscal year is the prerogative of the
21 General Assembly. This is usually accomplished by delineating such maximums
22 in the appropriation acts for a state agency and the general revenue
23 allocations authorized for each fund and fund account by amendment to the
24 Revenue Stabilization Law, § 19-20-101 et seq. Further, the General Assembly
25 has determined that creating the Catastrophic Reserve Fund and establishing
26 the procedures for the transfer of funds to various funds and fund accounts
27 in the Revenue Stabilization Law, § 19-20-101 et seq., or to the Economic
28 Development Superprojects Project Fund, or both, provides for the efficient
29 and effective operation of state government if a revenue shortfall is
30 determined to exist. Therefore, it is both necessary and appropriate that the
31 General Assembly maintain oversight by requiring prior approval of the
32 Legislative Council or Joint Budget Committee as provided by this section.
33 The requirement of approval by the Legislative Council or Joint Budget
34 Committee is not a severable part of this section. If the requirement of
35 approval by the Legislative Council or Joint Budget Committee is ruled
36 unconstitutional by a court of competent jurisdiction, this entire section is

1 void.

2

3 19-43-269. One Percent to Prevent Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
6 fund to be known as the "One Percent to Prevent Fund".

7 (b)(1) The fund shall consist of any other revenues as may be
8 authorized by law.

9 (2) The fund also shall consist of any federal funds or private
10 foundation grants.

11 (c) The fund shall be exclusively used by the Department of Human
12 Services to prevent the children of prisoners from becoming future prisoners.

13

14 19-43-270. Specialty Court Program Fund.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
17 fund to be known as the "Specialty Court Program Fund".

18 (b) The fund shall consist of the specialty court program user fees
19 under § 16-10-701 and any other moneys provided by law.

20 (c) The fund shall be used exclusively for:

21 (1) Treatment services provided by the Division of Community
22 Correction as defined by and distributed under § 16-98-305(1)(E);

23 (2) Treatment services provided by the Department of Human
24 Services as defined by and distributed under § 16-98-305(2)(C);

25 (3) The cost of the evaluation of specialty court programs by
26 the Specialty Court Program Advisory Committee as required under § 16-10-139;
27 and

28 (4) Drug and mental health crisis intervention centers.

29

30 19-43-271. Marine Sanitation Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
33 fund to be known as the "Marine Sanitation Fund".

34 (b) The Marine Sanitation Fund shall consist of:

35 (1) Those special revenues as specified in § 19-42-201(178);

36 (2) Twenty-four percent (24%) of those special revenues as

1 specified in § 19-42-201(20);

2 (3) Any unexpended balances of fees and fines for the use of the
3 Marine Sanitation Program remaining in the Public Health Fund on June 30,
4 2003; and

5 (4) Any other revenues as may be authorized by law.

6 (c) The Marine Sanitation Fund shall be used by the Department of
7 Health as provided in § 27-101-401 et seq.

8

9 19-43-272. Domestic Peace Fund.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
12 fund to be known as the "Domestic Peace Fund".

13 (b)(1) The moneys collected under § 16-20-407, as designated under §
14 16-20-407(b)(2), and § 16-10-305(g) shall be deposited into the State
15 Treasury to the credit of the fund as special revenue.

16 (2) The fund also shall consist of:

17 (A) That portion of special revenues specified in § 19-42-
18 201(172)(B);

19 (B) Moneys obtained from private grants or other sources
20 that are designated to be credited to the fund;

21 (C) Moneys collected under § 17-19-301(d)(1)(F)(ii); and

22 (D) Other revenues as may be authorized by law.

23 (c) The fund shall be used by the Arkansas Child Abuse/Rape/Domestic
24 Violence Commission as provided under the Arkansas Domestic Peace Act, § 9-4-
25 101 et seq.

26

27 19-43-273. Public School Facilities Fund.

28 (a) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
30 fund to be known as the "Public School Facilities Fund".

31 (b)(1) All moneys collected under Acts 2003 (2nd Ex. Sess.), No. 70,
32 shall be deposited as follows:

33 (A) If designated in § 19-41-201 as general revenues, the
34 moneys shall be deposited into the State Treasury to the credit of the fund
35 as special revenues; and

36 (B) If designated in § 19-42-201 as special revenues, the

1 moneys shall be deposited into the State Treasury as special revenues to be
2 distributed as provided by law.

3 (2) The distribution of municipal and county taxes collected
4 under the tax amnesty program created by Acts 2003 (2nd Ex. Sess.), No. 70,
5 is not affected by this section.

6 (3) The fund also shall consist of any other revenues as may be
7 authorized by law.

8 (c) The fund shall be used for improvements, construction, or repair
9 of public school facilities.

10

11 19-43-274. Shared Benefit Payment 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 "Shared Benefit Payment Fund".

15 (b)(1) All moneys collected under § 19-60-107 shall be deposited into
16 the State Treasury to the credit of the fund as special revenues.

17 (2) The fund also shall consist of any other revenues as may be
18 authorized by law.

19 (c) The fund shall be used by the state agencies to pay vendors for
20 contracts entered into under § 19-60-107.

21 (d) The fund shall consist of the amount of taxes or fees collected
22 for the relevant time period less the baseline amount stated in each
23 technology purchase contract entered into pursuant to § 19-60-107, which
24 difference is attributable to the implementation and use of the technology
25 systems as provided in the contract and approved under the provisions of §
26 19-60-107(c).

27 (e) As soon as practical after the close of each month, each agency
28 purchasing official who has a technology purchase contract shall determine
29 the difference between the amount of taxes or fees collected and the contract
30 baseline amount and report these findings to the Chief Fiscal Officer of the
31 State.

32 (f) The Chief Fiscal Officer of the State shall certify to the
33 Treasurer of State the following:

34 (1) The amounts determined in subsection (e) of this section for
35 transfer to the fund; and

36 (2) That portion of the amount determined in subsection (e) of

1 this section which is currently required to be paid to each technology
2 contract vendor.

3 (g) The Treasurer of State shall make the transfer of the amount
4 determined in subdivision (f)(1) of this section, after making the deduction
5 required from the net special revenues as set out in § 19-21-103(b)(2)(A).

6

7 19-43-275. Investor Education Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
10 fund to be known as the "Investor Education Fund".

11 (b) The Investor Education Fund shall consist of:

12 (1) Those special revenues as specified in § 19-42-201(213); and

13 (2) An initial transfer of one hundred thousand dollars
14 (\$100,000) from the State Securities Department Fund.

15 (c) The Investor Education Fund shall be used to inform and educate
16 the public regarding investments in securities and to pay for costs and
17 expenses associated with conducting a stock market game for educational
18 purposes in the state's public school system, as provided in § 23-42-213.

19

20 19-43-276. Fallen Firefighters' Memorial Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
23 fund to be known as the "Fallen Firefighters' Memorial Fund".

24 (b)(1) All moneys collected under § 27-24-1303(c)(2)(C) shall be
25 deposited into the State Treasury to the credit of the fund as special
26 revenues.

27 (2) The fund also shall consist of any other revenues as may be
28 authorized by law.

29 (c)(1) The moneys deposited into the fund shall be used by the
30 Secretary of State to satisfy the fee requirements for placement,
31 improvements to, or replacement of the monument or memorial area under § 19-
32 26-302(c).

33 (2) All maintenance and costs shall be approved by the Arkansas
34 Fallen Firefighters' Memorial Board and the Capitol Arts and Grounds
35 Commission.

36

1 19-43-277. Arkansas Citizens First Responder Safety Enhancement Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
4 known as the "Arkansas Citizens First Responder Safety Enhancement Fund".

5 (b) The fund shall consist of:

6 (1) Eighty percent (80%) of the fines collected under § 27-22-
7 111(a); and

8 (2) The fines collected under § 27-22-103(c)(1).

9 (c) The fund shall be used as appropriated by the General Assembly as
10 follows:

11 (1) Fifty percent (50%) of the fund shall be used for emergency
12 medical services; and

13 (2) Fifty percent (50%) of the fund shall be used for local law
14 enforcement.

15
16 19-43-278. Public Legal Aid Fund.

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
19 fund to be known as the "Public Legal Aid Fund".

20 (b) The fund shall consist of such revenues as may be authorized by
21 law.

22 (c) The fund shall be used for providing financial support for public
23 legal aid organizations and distributed as follows:

24 (1) Forty-five percent (45%) of the fund shall be paid to Legal
25 Aid of Arkansas; and

26 (2) Fifty-five percent (55%) of the fund shall be paid to the
27 Center for Arkansas Legal Services.

28
29 19-43-279. Spyware Monitoring Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
32 fund to be known as the "Spyware Monitoring Fund".

33 (b) The fund shall consist of:

34 (1) Those special revenues as specified in § 19-42-201(228); and

35 (2) Any other revenues as may be authorized by law.

36 (c) The fund shall be used by the Attorney General to offset his or

1 her salary and administrative expenses directly related to the enforcement of
2 the Consumer Protection Against Computer Spyware Act, § 4-111-101 et seq.,
3 and administration of the website required by the Consumer Protection Against
4 Computer Spyware Act, § 4-111-101 et seq.

5
6 19-43-280. Abandoned and Orphaned Well Plugging Fund.

7 (a) There is created on the books of the Treasurer of State, the
8 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
9 fund to be known as the "Abandoned and Orphaned Well Plugging Fund".

10 (b) The fund shall consist of:

- 11 (1) Those special revenues as specified in § 19-42-201(230);
12 (2) Proceeds from the transfer of a well, well-site equipment,
13 or hydrocarbons from the well as established by § 15-72-217(b)(2);
14 (3) Grants;
15 (4) Gifts; and
16 (5) Any other revenues as may be authorized by law.

17 (c) The fund shall be used by the Oil and Gas Commission to provide
18 security if an oil well operator or a gas well operator, or both, fails to
19 perform plugging responsibilities under § 15-72-217 or fails to correct well
20 conditions that create an imminent danger to the health or safety of the
21 public, or threaten significant environmental harm or damage to property.

22
23 19-43-281. In God We Trust License Plate Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
26 fund to be known as the "In God We Trust License Plate Fund".

27 (b) The fund shall consist of:

- 28 (1) Those special revenues as specified in § 19-42-201(223); and
29 (2) Any other revenues as may be authorized by law.

30 (c) The fund shall be used by the Division of Aging, Adult, and
31 Behavioral Health Services of the Department of Human Services to provide
32 quarterly cash grants to each senior citizen center in a similar method as is
33 used in the state's current system for distributing United States Department
34 of Agriculture money to the senior citizen centers to purchase raw food, and
35 for purchasing food for use in a home-delivered meal program, as set out in §
36 27-15-4904.

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19-43-282. Arkansas Research Infrastructure Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Research Infrastructure Fund".

(b) The fund shall consist of:

(1) All moneys appropriated to the fund by the General Assembly;
and

(2) Any gifts, contributions, grants, or bequests received from federal, private, or other sources.

(c) The fund shall be used by the Division of Science and Technology of the Arkansas Economic Development Commission for the purposes delineated under the Arkansas Research Alliance Act, § 15-3-301 et seq.

19-43-283. Arkansas Alternative Fuels Development Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Alternative Fuels Development Fund".

(b)(1) All moneys appropriated for the fund shall be deposited into the State Treasury to the credit of the fund as special revenues.

(2) The fund also shall consist of any other revenues as may be authorized by law.

(c) The fund shall be used by the Department of Agriculture to provide grants to support alternative fuels producers, feedstock processors, and alternative fuels distributors in Arkansas as provided under the Arkansas Alternative Fuels Development Act, § 15-13-101 et seq., or as otherwise provided by law.

19-43-284. Wildlife Recreation Facilities Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Wildlife Recreation Facilities Fund" administered by the Rural Services Division of the Arkansas Economic Development Commission.

(b) The fund shall consist of:

(1) Those special revenues and any other revenues authorized by law;

- 1 (2) Any moneys appropriated to it by the General Assembly; and
- 2 (3) Any gifts, contributions, grants, or bequests received from
- 3 federal, private, or other sources.

4 (c) The fund shall be used by the division to develop criteria to

5 establish and fund the development and maintenance of wildlife recreation

6 facilities.

7

8 19-43-285. Cigarette Fire Safety Standard Fund.

9 (a) There is created on the books of the Treasurer of State, the

10 Auditor of State, and the Chief Fiscal Officer of the State a special revenue

11 fund to be known as the "Cigarette Fire Safety Standard Fund".

12 (b) The fund shall consist of:

13 (1) All certification fees paid under § 20-27-2105;

14 (2) All moneys recovered as civil penalties under § 20-27-2107;

15 and

16 (3) Any other revenues as may be authorized by law.

17 (c) The fund shall be used by the Director of Arkansas Tobacco Control

18 to support fire safety and prevention programs.

19

20 19-43-286. Military Funeral Honors Fund.

21 (a) There is created on the books of the Treasurer of State, the

22 Auditor of State, and the Chief Fiscal Officer of the State a special revenue

23 fund to be known as the "Military Funeral Honors Fund".

24 (b)(1) All moneys collected under § 27-24-209(d)(7) shall be deposited

25 into the State Treasury to the credit of the fund as special revenues.

26 (2) The fund also shall consist of any other revenues authorized

27 by law.

28 (c) The fund shall be used by the Department of Veterans Affairs to

29 assist with the cost of providing military funeral honors at veterans'

30 funerals.

31

32 19-43-287. Digital Product and Motion Picture Office Fund.

33 (a) There is created on the books of the Treasurer of State, the

34 Auditor of State, and the Chief Fiscal Officer of the State a special revenue

35 fund to be known as the "Digital Product and Motion Picture Office Fund".

36 (b) The fund shall consist of revenues as authorized by law.

1 (c) The fund shall be used for providing additional funds for duties
2 and functions of the Arkansas Film Commission of the Arkansas Economic
3 Development Commission.

4 (d)(1) The fund shall be administered in accordance with rules
5 promulgated by the Department of Finance and Administration.

6 (2) The department shall consult with the Arkansas Film
7 Commission of the Arkansas Economic Development Commission.

8
9 19-43-288. Arkansas Retirement Community Program Fund Account.

10 (a) There is created on the books of the Treasurer of State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
12 fund to be known as the "Arkansas Retirement Community Program Fund Account".

13 (b) The Arkansas Retirement Community Program Fund Account shall
14 consist of:

15 (1) Those special revenues as specified in § 19-42-201(243); and

16 (2) Any other revenues as may be authorized by law.

17 (c) The Arkansas Retirement Community Program Fund Account shall be
18 used by the Arkansas Economic Development Institute for payment of
19 administrative and personnel costs and other costs of the Arkansas
20 Association of Development Organizations associated with administering the
21 Arkansas Retirement Community Program, as set out in the Arkansas Retirement
22 Community Program Act, § 15-14-101 et seq.

23
24 19-43-289. State Drug Crime Enforcement and Prosecution Grant Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
27 fund to be known as the "State Drug Crime Enforcement and Prosecution Grant
28 Fund".

29 (b) The fund shall consist of:

30 (1) Revenues generated under § 12-17-106; and

31 (2) Any moneys authorized by the General Assembly.

32 (c) The fund shall be used by the Department of Finance and
33 Administration for the purpose of funding state grant awards for multi-
34 jurisdictional drug crime task forces to investigate and prosecute drug
35 crimes within the State of Arkansas, as set out in § 12-17-101 et seq.

36

1 19-43-290. Wildlife Observation Trail Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
4 fund to be known as the "Wildlife Observation Trail Fund" administered by the
5 Department of Parks, Heritage, and Tourism.

6 (b) The fund shall consist of:

7 (1) Those special revenues and any other revenues as may be
8 authorized by law;

9 (2) Any moneys appropriated to the fund by the General Assembly;
10 and

11 (3) Any gifts, contributions, grants, or bequests received from
12 federal, private, or other sources.

13 (c) The fund shall be used by the department to develop criteria to
14 establish and fund the development and maintenance of wildlife observation
15 trails.

16

17 19-43-291. Arkansas Video Service Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
20 fund to be known as the "Arkansas Video Service Fund".

21 (b)(1) All moneys collected under § 23-19-204 shall be deposited into
22 the State Treasury to the credit of the fund as special revenues.

23 (2) The fund also shall consist of any other revenues as may be
24 authorized by law.

25 (c) The fund shall be used by the Secretary of State to review and
26 issue certificates of franchise authority.

27 (d) The fund may be used by the Secretary of State to issue refunds
28 and reimbursements of fees collected in regard to the purpose of the fund.

29

30 19-43-292. Arkansas Court Appointed Special Advocates Program Fund.

31 (a) There is created on the books of the Treasurer of State, the
32 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
33 fund to be known as the "Arkansas Court Appointed Special Advocates Program
34 Fund".

35 (b) The fund shall consist of such revenues as may be authorized by
36 law.

1 (c) The fund shall be used for providing program support for local
2 offices of the Arkansas Court Appointed Special Advocates program.

3
4 19-43-293. County Coroners Continuing Education Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
7 fund to be known as the "County Coroners Continuing Education Fund".

8 (b)(1) The fund shall consist of those special revenues as specified
9 in § 19-42-201(246).

10 (2) The fund also shall consist of any other revenues as may be
11 authorized by law.

12 (c) The fund shall be used for defraying the expenses of training
13 seminars and other educational projects benefiting county coroners in this
14 state as set out in §§ 14-15-308, 16-20-105, 16-20-110, and § 26-60-101 et
15 seq.

16
17 19-43-294. Fallen Law Enforcement Officers' Beneficiary Fund.

18 (a) There is created on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
20 fund to be known as the "Fallen Law Enforcement Officers' Beneficiary Fund".

21 (b) The fund shall consist of such revenues as may be authorized by
22 law.

23 (c) The fund shall be used by the Arkansas Commission on Law
24 Enforcement Standards and Training to provide such support and assistance to
25 beneficiaries of fallen law enforcement officers as determined to be
26 appropriate by the commission.

27
28 19-43-295. Alcoholic Beverage Control Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
31 fund to be known as the "Alcoholic Beverage Control Fund".

32 (b)(1) The registration fee of fifteen dollars (\$15.00) for each brand
33 label and brand label size collected under § 3-2-403 shall be deposited into
34 the State Treasury to the credit of the fund as special revenues.

35 (2) The fund also shall consist of any other revenues as may be
36 authorized by law.

1 (c) The Alcoholic Beverage Control Division shall use the fund to:

2 (1) Educate alcoholic beverage servers and law enforcement
3 personnel regarding state law and the division's rules;

4 (2) Promote alcohol safety awareness; and

5 (3) Enforce state law and the division's rules regarding
6 underage drinking.

7
8 19-43-296. Commercial Truck Safety and Education Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
11 fund to be known as the "Commercial Truck Safety and Education Fund".

12 (b)(1) Beginning October 1, 2013, the first two million dollars
13 (\$2,000,000) of the fee charged under § 27-14-601(a)(3)(G)(ii) for the fiscal
14 year ending June 30, 2014, shall be deposited into the State Treasury to the
15 credit of the fund as special revenues.

16 (2) Beginning July 1, 2014, the first two million dollars
17 (\$2,000,000) per fiscal year of the fee charged under § 27-14-
18 601(a)(3)(G)(ii) shall be deposited into the State Treasury to the credit of
19 the fund as special revenues.

20 (3) The fund also shall consist of any other revenues as may be
21 authorized by law.

22 (c) The fund shall be used by the Arkansas Department of
23 Transportation to improve the safety of the commercial truck industry through
24 cooperative public-private programs that focus on increased enforcement,
25 regulatory compliance, industry training, and educational programs to ensure
26 the safe movement of goods on state highways.

27
28 19-43-297. Arkansas Sheriffs' Association Education Fund.

29 (a) There is created on the books of the Treasurer of State, the
30 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
31 fund to be known as the "Arkansas Sheriffs' Association Education Fund".

32 (b) The fund shall be used by the Arkansas Sheriffs' Association
33 exclusively for the performance of its duties as the official agency of the
34 sheriffs of this state, including without limitation:

35 (1) Receiving and using funds for a continuing study of ways to
36 improve the administration of sheriffs' offices; and

1 (2) Developing and improving education programs designed for
2 sheriffs' offices in Arkansas.

3
4 19-43-298. Bail Bond Recovery Fund.

5 (a) There is created on the books of the Treasurer of State, the
6 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
7 fund to be known as the "Bail Bond Recovery Fund".

8 (b)(1) All moneys collected under § 17-19-301(g) shall be deposited
9 into the State Treasury to the credit of the fund as special revenues.

10 (2) The fund also shall consist of any other revenues authorized
11 by law.

12 (c) The fund shall be used exclusively for the recovery of forfeited
13 professional bonds.

14 (d) The Professional Bail Bond Company and Professional Bail Bondsman
15 Licensing Board shall promulgate rules concerning the disbursements of the
16 fund.

17 (e)(1) The board shall promulgate rules to suspend, revoke, or take
18 disciplinary action for noncompliance in failure to remit or pay fees under
19 this section or for failure to report under this section.

20 (2) The Department of Finance and Administration may pursue any
21 appropriate legal remedy for the collection of and remittance of the
22 delinquent fees and penalties owed under this section against any entity that
23 has a duty to collect or remit these fees.

24
25 19-43-299. Interpreters between Hearing Individuals and Individuals
26 who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf Fund.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
29 fund to be known as the "Interpreters between Hearing Individuals and
30 Individuals who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf Fund".

31 (b)(1) All moneys collected under § 20-14-801 et seq. shall be
32 deposited into the State Treasury to the credit of the fund as special
33 revenues.

34 (2) The fund also shall consist of any other revenues authorized
35 by law.

36 (c) The fund shall be used by the Department of Health to pay costs

1 related to the Advisory Board for Interpreters between Hearing Individuals
2 and Individuals who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf and
3 the licensure of licensed qualified interpreters under § 20-14-801 et seq.
4

5 Subchapter 3 – Enumeration of Special Revenue Funds, Continued
6

7 19-43-301. State Aid Street Fund.

8 (a) There is created on the books of the Treasurer of State, the
9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
10 fund to be known as the “State Aid Street Fund”.

11 (b) The fund shall consist of one cent (1¢) per gallon tax from
12 revenue distributed under the Arkansas Highway Revenue Distribution Law, §
13 27-70-201 et seq., from the proceeds derived from existing motor fuel taxes
14 and distillate fuel taxes.

15 (c) The fund shall be used for construction, reconstruction, and
16 improvements of the state aid street system under the State Aid Streets Law,
17 § 27-72-401 et seq.

18 (d)(1) All revenues deposited into the fund shall be apportioned to
19 the municipalities as prescribed in § 27-72-413 for the distribution on the
20 state aid street system among the various municipalities.

21 (2) The apportioned funds shall remain for a period of two (2)
22 years from the date they are apportioned.

23 (3) Any unused funds shall be returned to the fund for
24 redistribution in accordance with § 27-72-413.

25 (4)(A) For a municipality to receive these funds, the
26 municipality shall be matched in the ratio of ninety percent (90%) of moneys
27 from the fund to not less than ten percent (10%) municipal matching funds for
28 all municipalities with a population in excess of twenty-five thousand
29 (25,000) residents.

30 (B) For all other municipalities, the state aid street
31 system shall be funded at one hundred percent (100%), and all municipalities
32 receiving moneys from the fund shall comply with the State Aid Streets Law, §
33 27-72-401 et seq.
34

35 19-43-302. Road and Bridge Repair, Maintenance, and Grants Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
2 fund to be known as the "Road and Bridge Repair, Maintenance, and Grants
3 Fund".

4 (b) The fund shall consist of:

5 (1) Moneys collected under § 26-58-124, as designated under §
6 26-58-124(c)(2); and

7 (2) Any other revenues authorized by law.

8 (c) The fund shall be used for the maintenance, operation, and
9 improvement required by the Arkansas Department of Transportation in carrying
10 out the functions, powers, and duties stated in Arkansas Constitution,
11 Amendment 42, §§ 27-65-102 – 27-65-107, 27-65-110, 27-65-122, and 27-65-124,
12 and the other laws of this state prescribing the powers and duties of the
13 department and the State Highway Commission.

14

15 19-43-303. Arkansas Tobacco Control Revenue Fund. [Effective until
16 contingency in Acts 2023, No. 629, § 17, is met.]

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of the State, and the Chief Fiscal Officer of the State a special
19 revenue fund to be known as the "Arkansas Tobacco Control Revenue Fund".

20 (b)(1) All permit and license fees received by Arkansas Tobacco
21 Control under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et
22 seq., shall be deposited into the State Treasury as special revenues to the
23 credit of the fund.

24 (2) The fund also shall consist of any other revenues authorized
25 by law.

26 (c)(1) The fund shall be used for expenses incurred by Arkansas
27 Tobacco Control in the organization, maintenance, operation, and merchant
28 education and training with regard to enforcement of § 5-27-227, the Arkansas
29 Tobacco Products Tax Act of 1977, § 26-57-201 et seq., and the Unfair
30 Cigarette Sales Act, § 4-75-701 et seq.

31 (2) Expenditures of moneys in the fund are subject to the
32 General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the
33 Arkansas Procurement Law, § 19-61-101 et seq., and other applicable fiscal
34 laws.

35 (3) The receipts and disbursements of Arkansas Tobacco Control
36 shall be audited annually by Arkansas Legislative Audit.

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19-43-303. Arkansas Tobacco Control Revenue Fund. [Effective if contingency in Acts 2023, No. 629, § 17, is met.]

(a) There is created on the books of the Treasurer of State, the Auditor of the State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the “Arkansas Tobacco Control Revenue Fund”.

(b)(1) All permit and license fees received by Arkansas Tobacco Control under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., and § 20-56-401 et seq., shall be deposited into the State Treasury as special revenues to the credit of the fund.

(2) The fund also shall consist of any other revenues authorized by law.

(c)(1) The fund shall be used for expenses incurred by Arkansas Tobacco Control in the organization, maintenance, operation, and merchant education and training with regard to enforcement of § 5-27-227, the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., § 20-56-401 et seq., and the Unfair Cigarette Sales Act, § 4-75-701 et seq.

(2) Expenditures of moneys in the fund are subject to the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Arkansas Procurement Law, § 19-61-101 et seq., and other applicable fiscal laws.

(3) The receipts and disbursements of Arkansas Tobacco Control shall be audited annually by Arkansas Legislative Audit.

19-43-304. Arkansas Highway Transfer Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the “Arkansas Highway Transfer Fund”.

(b) The Arkansas Highway Transfer Fund shall be used to provide additional funding to the Arkansas Department of Transportation for use in constructing and maintaining the highways of this state.

(c) In the event revenues to the department are insufficient to fully address the highway construction and maintenance needs of the state, the department may provide a written document to the Governor outlining the reasons that additional funding is needed and requesting that the Governor provide a recommendation to the Legislative Council or the Joint Budget

1 Committee for review and approval of the transfer of funds in the Arkansas
2 Highway Transfer Fund to the Arkansas Department of Transportation Fund.

3 (d) Upon review and approval of the Legislative Council or the Joint
4 Budget Committee, the Chief Fiscal Officer of the State may transfer funds
5 from the Arkansas Highway Transfer Fund to the Arkansas Department of
6 Transportation Fund as deemed necessary to provide additional funding to
7 address the highway construction and maintenance needs of the state.

8 (e) The requirement of approval by the Legislative Council or Joint
9 Budget Committee is not a severable part of this section. If the requirement
10 of approval by the Legislative Council or Joint Budget Committee is ruled
11 unconstitutional by a court of competent jurisdiction, this entire section is
12 void.

13

14 19-43-305. Arkansas Division of Heritage Special Fund Account.

15 (a) There is created on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
17 fund to be known as the "Arkansas Division of Heritage Special Fund Account".

18 (b) The fund shall consist of:

19 (1) That portion of moneys collected from the excise tax of one-
20 eighth of one percent ($\frac{1}{8}$ of 1%) levied by Arkansas Constitution, Amendment
21 75, as set out in § 19-43-266(b)(3)(C); and

22 (2) Any other funds authorized or provided by law.

23 (c) The fund shall be used exclusively by the Division of Arkansas
24 Heritage as appropriated by the General Assembly.

25

26 19-43-306. Department of Parks, Heritage, and Tourism Fund Account.

27 (a) There is created on the books of the Treasurer of State, the
28 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
29 fund to be known as the "Department of Parks, Heritage, and Tourism Fund
30 Account".

31 (b) The fund shall consist of:

32 (1) That portion of moneys collected from the excise tax of one-
33 eighth of one percent ($\frac{1}{8}$ of 1%) levied by Arkansas Constitution, Amendment
34 75, as set out in § 19-43-266(b)(3)(B); and

35 (2) Any other funds authorized or provided by law.

36 (c) The fund shall be used by the Department of Parks, Heritage, and

1 Tourism for state park purposes as appropriated by the General Assembly.

2

3 19-43-307. Arkansas Industrial Hemp Program Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
6 fund to be known as the "Arkansas Industrial Hemp Program Fund".

7 (b) The fund shall consist of:

8 (1) Fees collected under the Arkansas Industrial Hemp Production
9 Act, § 2-15-501 et seq.;

10 (2) Gifts, grants, and other funds both public and private; and

11 (3) Other revenues as may be authorized by law.

12 (c) Any unallocated or unencumbered balances in the fund shall be
13 invested in the fund, and any interest or other income earned from the
14 investments, along with the unallotted or unencumbered balances in the fund,
15 shall not lapse but shall be carried forward for purposes of the fund and
16 made available solely for the purposes and benefits of the industrial hemp
17 production program under the Arkansas Industrial Hemp Production Act, § 2-15-
18 501 et seq.

19

20 19-43-308. Arkansas Medical Marijuana Implementation and Operations
21 Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
24 fund to be known as the "Arkansas Medical Marijuana Implementation and
25 Operations Fund".

26 (b) The fund shall consist of:

27 (1) Moneys obtained pursuant to § 17 of the Arkansas Medical
28 Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98, from
29 taxation of medical marijuana; and

30 (2) Any other revenues as may be authorized by law.

31 (c) The fund shall be used to pay expenses of state agencies incurred
32 due to the passage of the Arkansas Medical Marijuana Amendment of 2016,
33 Arkansas Constitution, Amendment 98, and for transfers of the distributions
34 as set out by the Arkansas Medical Marijuana Amendment of 2016, Arkansas
35 Constitution, Amendment 98.

36

1 19-43-309. Medical Marijuana Commission Fund.

2 (a) There is created on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
4 fund to be known as the "Medical Marijuana Commission Fund".

5 (b) The fund shall consist of:

6 (1) Funds distributed under § 17(b) of the Arkansas Medical
7 Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98; and

8 (2) Other revenues and funds authorized by law.

9 (c) The Medical Marijuana Commission shall use the fund for the
10 administration of the commission and other purposes under the Arkansas
11 Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98.

12

13 19-43-310. Domestic Violence Shelter Fund.

14 (a) There is created on the books of the Treasurer of State, the
15 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
16 fund to be known as the "Domestic Violence Shelter Fund".

17 (b) The fund shall be used to provide funding for statewide grants
18 awarded to a statewide domestic violence entity under the Arkansas Domestic
19 Violence Shelter Act, § 9-6-101 et seq.

20 (c) The fund shall consist of:

21 (1) The special revenues collected under § 9-15-202(d) and § 16-
22 10-305(h);

23 (2) Moneys obtained from private grants or other sources that
24 are designated to be credited to the fund; and

25 (3) Any other revenues authorized by law.

26

27 19-43-311. Arkansas Wine Grants Fund.

28 (a)(1) There is created on the books of the Treasurer of State, the
29 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
30 fund to be known as the "Arkansas Wine Grants Fund".

31 (2) The Arkansas Wine Grants Fund shall consist of fees
32 collected from grocery store wine permits under § 3-5-1802 and shall be
33 administered by the Department of Finance and Administration.

34 (b) Fifty percent (50%) of fees that are deposited into the Arkansas
35 Wine Grants Fund under § 3-5-1802 shall be transferred to the Arkansas
36 Agricultural Marketing Grants Fund to be used to make payments of grants

1 under the grant program in § 3-5-901 et seq.

2 (c) Fifty percent (50%) of fees that are deposited into the Arkansas
3 Wine Grants Fund under § 3-5-1802 shall be transferred to the Tourism
4 Development Trust Fund for the purpose of land acquisition, construction,
5 lease, equipment acquisition, improvements, renovation, major maintenance,
6 personal services, maintenance, operating and staffing a wine tourism
7 facility and office space for the Arkansas Wine Producers Council within the
8 tourism facility in Franklin County, Arkansas.

9 (d) Any unused or undesignated fees at the end of the fiscal year
10 shall be transferred to the Tourism Development Trust Fund.

11

12 19-43-312. Law Enforcement Training Fund.

13 (a) There is created on the books of the Treasurer of State, the
14 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
15 fund to be known as the "Law Enforcement Training Fund".

16 (b) The fund shall consist of such revenues as may be collected under
17 § 12-41-505 or as otherwise authorized by law.

18 (c) The fund shall be used by the Arkansas Commission on Law
19 Enforcement Standards and Training to establish and conduct training for law
20 enforcement officers, personnel, jailers, 911 operators, or other persons
21 determined by the commission to qualify for the training.

22

23 19-43-313. Feral Hog Eradication Fund.

24 (a) There is created on the books of the Treasurer of State, the
25 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
26 fund to be known as the "Feral Hog Eradication Fund".

27 (b) The fund shall consist of:

28 (1) Fines collected under § 2-38-504; and

29 (2) Any other revenues as may be authorized by law.

30 (c) The fund shall be used by the Department of Agriculture for
31 expenses associated with the eradication efforts to eliminate feral hogs.

32

33 19-43-314. Arkansas Cyber Initiative Fund.

34 (a) There is created on the books of the Treasurer of State, the
35 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
36 fund to be known as the "Arkansas Cyber Initiative Fund".

1 (b) The fund shall consist of:

2 (1) All moneys appropriated to the fund by the General Assembly;
3 and

4 (2) Any gifts, contributions, grants, or bequests received from
5 federal, private, or other sources.

6 (c) The fund shall be used by the Arkansas Economic Development
7 Commission for the purposes set out in the Arkansas Cyber Initiative Act, §
8 25-26-301 et seq.

9

10 19-43-315. Breast Milk Bank Special Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the "Breast Milk Bank Special Fund".

14 (b) The fund shall consist of:

15 (1) Fees collected under § 20-7-140;

16 (2) Moneys obtained from federal grants or other sources that
17 are designated to be credited to the fund;

18 (3) Gifts, grants, and other moneys both public and private; and

19 (4) Any other revenues as may be authorized by law.

20 (c) The fund shall be used by the University of Arkansas for Medical
21 Sciences for expenses of the Arkansas Breast Milk Bank.

22

23 19-43-316. Secretary of State Business and Commercial Services
24 Electronic Filing System Fund.

25 (a) There is created on the books of the Treasurer of State, the
26 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
27 fund to be known as the "Secretary of State Business and Commercial Services
28 Electronic Filing System Fund".

29 (b) The fund shall consist of:

30 (1) The processing fees collected under § 26-54-104(b)(1); and

31 (2) Any other revenues as may be authorized by law.

32 (c) The fund shall be used by the Secretary of State to pay for the
33 maintenance and support of the business and commercial services electronic
34 filing system of the Secretary of State.

35 (d) The fund may be used by the Secretary of State to issue refunds
36 and reimbursements of processing fees collected for the annual franchise tax.

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CHAPTER 44
TRUST FUND INCOME

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Trust Fund Income – Sources – Uses

Subchapter 1 – General Provisions [Reserved.]

Subchapter 2 – Trust Fund Income – Sources – Uses

19-44-201. Trust fund income.

Trust fund income consists of any amounts deposited into the State Treasury, with the exception of the proceeds of the sale or redemption of securities. The amounts shall be deposited to the credit of any of the trust funds that are dedicated by law for specific purposes, the sources of which are not derived from general or special revenues. Trust fund income includes ad valorem taxes collected by the state for the sole benefit of local governmental units.

CHAPTER 45
FEDERAL GRANTS, AIDS, AND REIMBURSEMENTS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Federal Grants, Aids, and Reimbursements – Sources – Uses

Subchapter 1 – General Provisions [Reserved.]

Subchapter 2 – Federal Grants, Aids, and Reimbursements – Sources – Uses

19-45-201. Federal grants, aids, and reimbursements.

Federal grants, aids, and reimbursements consist of all funds granted to this state or any of its agencies under acts of the United States Congress or by any agency of the United States Government. The funds so received are considered as revenue of the fiscal year in which they are received. However, those moneys received during the month of July may be classified as revenues

1 of the preceding fiscal year on the books of the Chief Fiscal Officer of the
2 State upon investigation and subsequent determination by the Chief Fiscal
3 Officer of the State that failure to do so would cause undue harm to the
4 state or any of its agencies.

5

6

CHAPTER 46

7

NONREVENUE RECEIPTS

8

9 Subchapter 1. General Provisions [Reserved.]

10 Subchapter 2. Nonrevenue Receipts – Sources – Uses

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12

Subchapter 1 – General Provisions [Reserved.]

13

14

Subchapter 2 – Nonrevenue Receipts – Sources – Uses

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16

19-46-201. Nonrevenue receipts.

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(a) Nonrevenue receipts consists of:

18

(1) The repayment of the principal amount of loans;

19

(2) The proceeds of the sale and redemption of securities,

20

including premiums received thereon;

21

(3) The transfer of funds, by warrants, between funds or fund

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accounts on the books of the Treasurer of State, the Auditor of State, and

23

the Chief Fiscal Officer of the State;

24

(4) Federal reimbursement received by state agencies on account

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of eligible expenditures for specific programs and deposited into funds or

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fund accounts in the State Treasury classified other than federal;

27

(5) Refunds to the state or state agencies, departments, or

28

institutions; and

29

(6) Funds collected from drug manufacturers as rebates according

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to promulgated regulations of Title XIX of the Social Security Act, 42 U.S.C.

31

§ 1396 et seq., as amended, and deposited into the Arkansas Medicaid Rebate

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Program Revolving Fund. These funds are transferrable to the Department of

33

Human Services Medicaid Paying Accounts Account for disbursement in the

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Arkansas Medicaid Program.

35

(b) Refunds to expenditures consist of:

36

(1) Proceeds received from insurance policies for casualty

1 losses by state agencies, departments, or institutions;

2 (2) Proceeds received from vendors on account of overpayment of
3 obligations remitted by state agencies, departments, or institutions;

4 (3) Refunds to state agencies for cash advances or over
5 allocations made to other state and local agencies for subgrants;

6 (4) Refunds to state agencies for the erroneous payment or
7 overpayment of salaries to state employees;

8 (5) Proceeds derived from the maturity or redemption of
9 investments;

10 (6) Reimbursements to institutions of higher education for cash
11 fund expenditures for salaries that are properly chargeable to funds in the
12 State Treasury;

13 (7) Deposits by the counties in the State Aid Road Fund and in
14 the County Supplement Fund Account in the State Treasury for matching funds
15 available in the state aid road construction program;

16 (8) Reimbursements to state agencies for cost-sharing purposes;

17 (9) Federal reimbursements of expenses paid in advance by the
18 state on behalf of the United States Government; and

19 (10) Reimbursements by vendors or their agents for warranties,
20 product rebates, and service adjustments.

21 (c) The first eighteen million dollars (\$18,000,000) received each
22 fiscal year by the State of Arkansas under the State and Local Fiscal
23 Assistance Act of 1972, 31 U.S.C. § 6701, commonly referred to as the
24 "Revenue Sharing Act", shall be transferred by the Treasurer of State to the
25 Federal Revenue Sharing State Highway Trust Fund Account in the Arkansas
26 Department of Transportation Fund.

27 (d) Income derived from the sale of miscellaneous and junk inventories
28 whose ownership is questionable or when excessive administrative accounting
29 is required shall be deposited into the State Treasury as a nonrevenue
30 receipt, there to be credited to the Miscellaneous Agencies Fund Account.

31
32 SUBTITLE 4. PURCHASING AND CONTRACTS

33
34 CHAPTER 60. GENERAL PROVISIONS

35 CHAPTER 61. ARKANSAS PROCUREMENT LAW

36 CHAPTER 62. BIDDING – STATE INDUSTRY PRIORITY

1 CHAPTER 63. FEDERAL GOVERNMENT SURPLUS PROPERTY
2 CHAPTER 64. ETHICS
3 CHAPTER 65. PROCUREMENT OF PROFESSIONAL SERVICES
4 CHAPTER 66. PURCHASES OF WORK CENTER PRODUCTS AND SERVICES
5 CHAPTER 67. PROFESSIONAL AND CONSULTANT SERVICES CONTRACTS
6 CHAPTER 68. GUARANTEED ENERGY COST SAVINGS ACT
7 CHAPTER 69. PARTIAL EQUITY OWNERSHIP AGREEMENT EXECUTED BY A STATE
8 RETIREMENT SYSTEM
9 CHAPTER 70. CONSTRUCTION MANAGER-GENERAL CONTRACTOR METHOD OF PROCUREMENT
10 PILOT PROGRAM
11 CHAPTERS 71 – 89 [RESERVED.]

12
13 CHAPTER 60
14 GENERAL PROVISIONS
15

16 19-60-101. Responsibility of disbursing officer – Maintenance of files
17 by Office of State Procurement.

18 (a) The disbursing officer of each agency, board, commission,
19 department, or institution shall be responsible for reviewing all invoices
20 prepared by commercial printers or suppliers holding commercial contracts to
21 make certain that the charges to the agency, board, commission, department,
22 or institution are proper under the terms of the contract.

23 (b) The Office of State Procurement shall maintain complete files that
24 shall be open to public inspection on all commercial term and one-time
25 contracts. The files shall contain:

- 26 (1) A copy of the contract;
27 (2) A list of all printing or duplicating done or commodities
28 ordered, as well as the name of the invoiced agency; and
29 (3) A copy of all correspondence regarding the contract or jobs
30 performed thereunder.

31
32 19-60-102. Use of soybean ink in state printing.

33 Notwithstanding any law or rule to the contrary, all printing that is
34 chargeable to or that is paid for with funds appropriated wholly or in part
35 by the state, or any state department, division, bureau, board, commission,
36 or agency, shall be printed in soybean ink; provided, however, that the

1 soybean ink is comparable in price to other inks, and that it is equally
2 suitable for use.

3

4 19-60-103. Penalty for violation of law.

5 A person who is found by a court of law to have knowingly violated any
6 state law in conjunction with the performance or acquisition of a contract
7 with the state is ineligible to contract with the state for a period of three
8 (3) years.

9

10 19-60-104. Equal opportunity policy – Purpose.

11 (a) The purpose of this section is to require any entity or person
12 bidding on a state contract, responding to a request for proposals regarding
13 a state contract, responding to a request for qualifications regarding a
14 state contract, or negotiating a contract with the state for professional or
15 consulting services to submit to the Office of State Procurement the most
16 current equal opportunity policy of the entity or person.

17 (b) The office and a state agency shall require a copy of the most
18 current equal opportunity policy of an entity or person to be filed with the
19 office or state agency for public inspection as a condition precedent to:

20 (1) Accepting a letter of intent, bid, proposal, or statement of
21 qualification with regard to a state contract from the entity or person; or

22 (2) Entering negotiations with the entity or person for a
23 professional or consulting services contract with the state.

24

25 19-60-105. Illegal immigrants – Prohibition – Public contracts for
26 services – Definitions.

27 (a) As used in this section:

28 (1) “Contractor” means a person having a public contract with a
29 state agency for professional services, technical and general services, or
30 any category of construction in which the total dollar value of the contract
31 is twenty-five thousand dollars (\$25,000) or greater;

32 (2) “Exempt agency” means the constitutional departments of the
33 state, the elected constitutional offices of the state, the General Assembly,
34 including the Legislative Council and the Legislative Joint Auditing
35 Committee and supporting agencies and bureaus thereof, the Supreme Court, the
36 Court of Appeals, circuit courts, prosecuting attorneys, and the

1 Administrative Office of the Courts;

2 (3) "Illegal immigrant" means any person not a citizen of the
3 United States who has:

4 (A) Entered the United States in violation of the
5 Immigration and Nationality Act, 8 U.S.C. §1101 et seq., or regulations
6 issued under the Immigration and Nationality Act, 8 U.S.C. § 1101 et seq.;

7 (B) Legally entered the United States but without the
8 right to be employed in the United States; or

9 (C) Legally entered the United States subject to a time
10 limit but has remained illegally after expiration of the time limit;

11 (4) "Professional services contract" means a contract between a
12 state agency and a contractor in which:

13 (A) The relationship between the contractor and the state
14 agency is that of an independent contractor rather than that of an employee;

15 (B) The services to be rendered consist of the personal
16 services of an individual that are professional in nature;

17 (C) The state agency does not have direct managerial
18 control over the day-to-day activities of the individual providing the
19 services;

20 (D) The contract specifies the results expected from the
21 rendering of the services rather than detailing the manner in which the
22 services shall be rendered; and

23 (E) Services rendered under a professional services
24 contract are rendered to the state agency itself or to a third-party
25 beneficiary;

26 (5) "Public contract for services" means any type of agreement
27 between a state agency and a contractor for the procurement of services and
28 all categories of construction with a state agency in which the total dollar
29 value of that contract is twenty-five thousand dollars (\$25,000) or greater;

30 (6)(A) "State agency" means any agency, institution, authority,
31 department, board, commission, bureau, council, or other agency of the state
32 supported by appropriation of state or federal funds, except an exempt agency
33 under subdivision (a)(7)(B) of this section.

34 (B) "State agency" includes an exempt agency when any
35 agency or exempt agency procures any item subject to Arkansas Constitution,
36 Amendment 54; and

1 (7)(A) "Technical and general services" means:

2 (i) Work accomplished by skilled individuals
3 involving time, labor, and a degree of expertise in which performance is
4 evaluated based upon the quality of the work and the results produced;

5 (ii) Work performed to meet a demand, including
6 without limitation work of a recurring nature that does not necessarily
7 require special skills or extensive training; or

8 (iii) The furnishing of labor, time, or effort by a
9 contractor or vendor, not involving the delivery of any specific end product
10 other than reports that are incidental to the required performance.

11 (B) "Technical and general services" does not include the
12 procurement of professional services under § 19-65-101 et seq.

13 (b) A state agency shall not enter into or renew a public contract for
14 services with a contractor who knows that the contractor or a subcontractor
15 employs or contracts with an illegal immigrant to perform work under the
16 contract.

17 (c) Before executing a public contract, each prospective contractor
18 shall certify in a manner that does not violate federal law in existence on
19 January 1, 2007, that the contractor at the time of the certification does
20 not employ or contract with an illegal immigrant.

21 (d)(1) If a contractor violates this section, the state shall require
22 the contractor to remedy the violation within sixty (60) days.

23 (2)(A) If the contractor does not remedy the violation within
24 the sixty (60) days specified under subdivision (d)(1) of this section, the
25 state shall terminate the contract for breach of the contract.

26 (B) If the contract is terminated under subdivision
27 (d)(2)(A) of this section, the contractor shall be liable to the state for
28 actual damages.

29 (e)(1)(A) If a contractor uses a subcontractor at the time of
30 certification, the subcontractor shall certify in a manner that does not
31 violate federal law in existence on January 1, 2007, that the subcontractor
32 at that time of certification does not employ or contract with an illegal
33 immigrant.

34 (B) A subcontractor shall submit the certification
35 required under subdivision (e)(1)(A) of this section within thirty (30) days
36 after the execution of the subcontract.

1 (2) The contractor shall maintain on file the certification of
2 the subcontractor throughout the duration of the term of the contract.

3 (3) If the contractor learns that a subcontractor is in
4 violation of this section, the contractor may terminate the contract with the
5 subcontractor, and the termination of the contract for a violation of this
6 section shall not be considered a breach of the contract by the contractor
7 and subcontractor.

8
9 19-60-106. Data company – Definitions.

10 (a) As used in this section:

11 (1) “Contractor” means a person having a public contract with a
12 public entity for storage services or software services;

13 (2) “Data” means recorded information, regardless of form or
14 characteristic;

15 (3) “Data company” means a contractor that provides software and
16 stores data for a public entity or provides storage services for a public
17 entity;

18 (4) “Entity of the state” means a department, institution of
19 higher education, board, commission, agency, quasi-public organization,
20 official, office, or employee, or an agency, instrumentality, or function
21 thereof;

22 (5) “Political subdivision of the state” means a county,
23 municipality, quasi-public organization, district, official, office, or
24 employee, or an agency, instrumentality, or function thereof;

25 (6)(A) “Public contract” means an agreement for the purchase of
26 commodities and services by a public entity.

27 (B) “Public contract” includes supplemental agreements;

28 (7) “Public entity” means an entity of the state or a political
29 subdivision of the state or a school;

30 (8) “School” means a public school district, charter school, or
31 education service cooperative, or a publicly supported entity having
32 supervision over public educational entities; and

33 (9) “Storage services” means the storage of data of a public
34 entity.

35 (b)(1) Data that is stored by a data company for a public entity is
36 the property of the public entity.

1 (2) A data company shall not sell, disclose, or otherwise use
2 the data that is stored for any other purpose without express authorization
3 from the public entity unless the data is:

4 (A) Considered open; or

5 (B) Released in the public domain by the public entity.

6 (3) A data company shall comply with the Arkansas Information
7 Systems Act of 1997, § 25-4-101 et seq.

8 (c)(1) Upon the expiration or termination of a public contract, a data
9 company shall return all data to the public entity in the format specified in
10 the public contract and in a secure manner.

11 (2)(A) If the public contract does not specify a format for
12 return of the data, as an express term of the public contract, the data
13 company shall return all data to the public entity in a secure common data
14 format specified by the public entity in writing and delivered to the data
15 company within thirty (30) days after the expiration or termination of the
16 public contract.

17 (B) Notwithstanding the requirement of a public entity to
18 specify in writing the secure common data format for return of the data and
19 to deliver the data in that format to a data company under subdivision

20 (c)(2)(A) of this section, a data company shall return all data to a public
21 entity in a usable format within sixty (60) days after the expiration or
22 termination of a public contract unless there is a contractual agreement that
23 specifies what data can be kept, how long the data can be kept, and the
24 purposes for which the data can be used by the data company.

25 (d)(1) A data company shall provide for the destruction of data still
26 in its possession in a secure manner such that data cannot be reconstructed
27 with backups or duplicate copies of data.

28 (2) The data company shall provide a certificate of destruction
29 and describe the methods used for destruction.

30 (3) Destruction of the data shall be effected:

31 (A) Upon written approval by the public entity that
32 acknowledges destruction of the data; and

33 (B) No later than six (6) months after the expiration or
34 termination of the public contract.

35 (e) This section does not prevent a public entity and a data company
36 from negotiating a public contract to determine the type of data format that

1 is acceptable for transferring data from a data company or from negotiating a
2 public contract that expressly contemplates alternate terms with regard to
3 data return or data destruction, which alternate terms shall prevail over
4 this section.

5

6 19-60-107. Contracts.

7 (a) An agency procurement official or procurement agent may enter into
8 contracts to acquire technology systems for performing the revenue-generating
9 functions and duties of the agency, including without limitation
10 registration, processing, and collection functions.

11 (b) Any contract entered into under this section between an agency
12 procurement official or procurement agent and a vendor of technology systems
13 shall provide for:

14 (1) Payment of the technology systems on the basis of a
15 percentage of the increase in the amount of specific taxes or fees collected,
16 including interest and penalties thereon, for a fixed time period, which
17 increase exceeds revenues projected prior to the project and is attributable
18 to the implementation and use of the technology system; or

19 (2) Payment of the technology system on a fixed fee contract
20 basis, the fee to be paid from the increase in the amount of specific taxes
21 or fees collected, including interest and penalties thereon, which increase
22 exceeds revenues projected prior to the project and is attributable to the
23 implementation and use of the technology system.

24 (c)(1) All contracts authorized by this section shall be entered into
25 pursuant to the Arkansas Procurement Law, § 19-61-101 et seq.

26 (2) Before execution of the contract, the following process
27 shall be followed:

28 (A) The requesting agency shall request approval from the
29 Secretary of the Department of Transformation and Shared Services to prepare
30 a request for proposal for a project authorized under this section;

31 (B) The request shall include the general nature of the
32 project, the anticipated revenues that will be enhanced, and the forecasted
33 revenues for the current biennium;

34 (C) Upon approval of the Secretary of the Department of
35 Transformation and Shared Services, the requesting agency shall prepare a
36 request to the Department of Finance and Administration for approval to

1 prepare a request for proposal for a technology project authorized under this
2 subchapter;

3 (D) The request shall include the revenue source or
4 sources that will be increased as a result of the project and the projected
5 revenues for the anticipated life of the project;

6 (E) The requesting agency shall prepare a request for
7 proposal, with advice and consultation from the Department of Finance and
8 Administration, for the purchase of technology systems on the basis of a
9 portion of the increase in the agency's revenues produced by the technology
10 system; and

11 (F)(i) The request for proposal may provide that the
12 agency and the vendor may negotiate an amount or baseline upon which the
13 increase in taxes or fees is measured.

14 (ii) A contract other than a fixed fee contract
15 shall include a factor in the baseline calculation to account for an increase
16 in taxes or fees due solely to economic factors and not to the use of the
17 technology.

18 (3) The agency procurement official or procurement agent and the
19 vendor shall negotiate the contract, with the oversight of the Department of
20 Finance and Administration to assist in negotiating an advantageous contract.

21 (4)(A) The agency director shall submit the proposed contract
22 and a request for new appropriation to the Governor or his or her designee.

23 (B) The accompanying information shall include the
24 methodology used to calculate the baseline amount proposed by the agency and
25 other justifications and information that detail the program and the expected
26 benefits of the agreement.

27 (C) The Governor or his or her designee shall study the
28 request and determine whether the appropriation requested and the terms of
29 the proposed contract are in strict compliance with this section.

30 (D)(i) The Governor may approve or modify the request for
31 new appropriation and the proposed contract.

32 (ii) Any modification of the proposed contract shall
33 be submitted to the vendor for approval.

34 (5)(A) Upon approval of the shared benefit agreement and new
35 appropriation request, the Governor shall seek the advice and recommendation
36 of the Legislative Council.

1 (B) Upon review of the Legislative Council, the Governor
2 shall forward a copy of his or her approvals to the agency director and the
3 Chief Fiscal Officer of the State.

4 (d) After receipt of the Governor's approvals, the Chief Fiscal
5 Officer of the State shall direct the Auditor of State and the Treasurer of
6 State to establish upon their books of record the necessary appropriation
7 accounts in accordance with the provisions as set out in this section from
8 the shared benefit holding appropriation.

9 (e) The requesting agency may utilize these appropriations to
10 implement the approved contract.

11 (f) This section does not prohibit an agency that enters into a
12 contract under this section from acquiring goods or services through
13 appropriations for a function or program of that agency not specifically
14 included in a contract entered into under this section.

15 (g) The Secretary of the Department of Transformation and Shared
16 Services may promulgate such rules, procedures, and guidelines as he or she
17 may deem necessary and proper in order to carry out this section.

18
19 CHAPTER 61

20 ARKANSAS PROCUREMENT LAW

- 21
22 Subchapter 1. General Provisions
23 Subchapter 2. Office of State Procurement – State Procurement Director
24 Subchapter 3. State Agencies – Agency Procurement Officials
25 Subchapter 4. Vendors – Contractors – Bidders
26 Subchapter 5. Source Selection and Contract Formation
27 Subchapter 6. Commodity Management
28 Subchapter 7. Conflict Resolution – Debarment
29 Subchapter 8. Intergovernmental Relations

30
31 Subchapter 1 – General Provisions

32
33 19-61-101. Title.

34 This chapter shall be known and may be referred to as the “Arkansas
35 Procurement Law”.

36

1 19-61-102. Purposes and policies.

2 The underlying purposes and policies of this chapter are to:

- 3 (1) Simplify, clarify, and modernize the law governing
4 procurement by this state;
- 5 (2) Permit the continued development of procurement policies and
6 practices;
- 7 (3) Provide for increased public confidence in the procedures
8 followed in public procurement;
- 9 (4) Ensure the fair and equitable treatment of all persons who
10 deal with the procurement system of this state;
- 11 (5) Provide increased economy in state procurement activities by
12 fostering effective competition; and
- 13 (6) Provide safeguards for the maintenance of a procurement
14 system of quality and integrity.

15
16 19-61-103. Definitions generally.

17 As used in this chapter:

18 (1)(A) "Agency procurement official" means a person authorized
19 by a state agency to enter into and administer contracts and make written
20 determinations and findings with respect to contracts, in accordance with
21 procedures prescribed by this chapter and the rules promulgated under it.

22 (B) "Agency procurement official" includes an authorized
23 representative acting within the limits of authority;

24 (2) "Business" means a corporation, partnership, individual,
25 sole proprietorship, joint-stock company, joint venture, or other legal
26 entity;

27 (3)(A) "Capital improvement" means all lands, buildings,
28 structures, utilities, on-site and off-site improvements, and other
29 appurtenant improvements, existing or future, and all construction, repairs,
30 alterations, and renovations thereof that are undertaken, owned, operated, or
31 otherwise managed by a state agency.

32 (B) "Capital improvement" does not include:

33 (i) Construction and reconstruction of roads and
34 bridges in the state highway system by the State Highway Commission; or

35 (ii) A building, facility, plant, structure, or
36 other improvement constructed by, or in behalf of, the Arkansas Department of

1 Transportation or the State Highway Commission;

2 (4)(A) "Commodities" means all personal property, including
3 without limitation:

- 4 (i) Goods, as defined in § 4-2-105;
- 5 (ii) Leases, as defined in § 4-2A-103; and
- 6 (iii) Insurance.

7 (B) "Commodities" does not include:

- 8 (i) A lease on real property or a permanent interest
9 in real property;
- 10 (ii) Exempt commodities and services; and
- 11 (iii) Capital improvements;

12 (5)(A) "Contract" means all types of state agreements,
13 regardless of what they may be called, for the purchase of commodities and
14 services and for the disposal of surplus commodities and services not
15 otherwise exempt.

16 (B)(i) "Contract" includes:

- 17 (a) Awards and notices of award;
- 18 (b) Contracts of a fixed-price, cost, cost-
19 plus-a-fixed-fee, or incentive type;
- 20 (c) Contracts providing for the issuance of
21 job or task orders;
- 22 (d) Leases;
- 23 (e) Letter contracts; and
- 24 (f) Purchase orders.

25 (ii) "Contract" also includes supplemental
26 agreements with respect to any of the items listed under subdivision
27 (5)(B)(i) of this section.

28 (iii) "Contract" does not include a partial equity
29 ownership agreement as defined under § 19-11-1301 et seq.;

30 (6) "Contract modification" means any written alteration in
31 specifications, delivery point, rate of delivery, period of performance,
32 price, quantity, or other provisions of a contract accomplished by mutual
33 action of the parties to the contract;

34 (7) "Contractor" means a person having a contract with a state
35 agency;

36 (8) "Data" means recorded information, regardless of form or

1 characteristic;

2 (9) "Debarment" means the disqualification of a person to
3 receive invitations for bids or requests for proposals or the award of a
4 contract by the state for a specified period of time commensurate with the
5 seriousness of the offense or the failure or the inadequacy of performance;

6 (10) "Designee" means a duly authorized representative of a
7 person holding a superior position;

8 (11) "Electronic" means electrical, digital, magnetic, optical,
9 or any other similar technology;

10 (12) "Employee" means an individual drawing a salary from a
11 state agency, whether elected or not, and a nonsalaried individual performing
12 personal services for an agency;

13 (13) "Exempt agencies" means the constitutional departments of
14 the state, the elected constitutional offices of the state, the General
15 Assembly, including the Legislative Council and the Legislative Joint
16 Auditing Committee and supporting agencies and bureaus of the General
17 Assembly, the Supreme Court, the Court of Appeals, circuit courts,
18 prosecuting attorneys, and the Administrative Office of the Courts;

19 (14) "Exempt commodities and services" means:

20 (A) Advertising in newspapers, periodicals, and related
21 publications and on television, radio, billboards, and electronic media;

22 (B) Animals procured for medical research;

23 (C)(i) Commodities and services for use in research,
24 education, and treatment for the diagnosis, cure, and prevention of disease,
25 which may be procured with administrative approval through a group purchasing
26 entity serving other public health institutions when substantial savings are
27 available.

28 (ii) A report shall be filed annually with Arkansas
29 Legislative Audit reflecting the justification of and the estimated savings
30 accruing due to the use of the exemption under this subdivision (14)(C);

31 (D)(i) Commodities procured for resale in cafeterias,
32 commissaries, bookstores, gift shops, canteens, and other similar
33 establishments.

34 (ii) However, commodities procured under subdivision
35 (14)(D)(i) of this section shall not be sold or transferred to an agency with
36 the intent of circumventing applicable procurement procedures;

1 (E)(i) Contracts awarded by agencies for the construction
2 of buildings and facilities and for major repairs.

3 (ii) Contract exemptions under subdivision
4 (14)(E)(i) of this section shall not extend to the procurement of commodities
5 not otherwise exempt that are to be furnished by the agency under the
6 contract;

7 (F) Contracts awarded by the Arkansas Department of
8 Transportation for the construction, reconstruction, and maintenance of roads
9 and bridges in the state highway system and for the county, rural road aid,
10 and city street aid programs;

11 (G)(i) Farm products procured or sold by a state agency
12 having an agency procurement official.

13 (ii) The current trade customs with respect to the
14 procurement or sale of cotton, cotton seed, rice, and other farm products
15 shall be followed when it is necessary to obtain the best price for the
16 commodities procured or sold;

17 (H) Fees, including medical fees and physician fees;

18 (I) Foster care maintenance services provided by foster
19 family homes or a community provider that is licensed as a family style
20 residential home or that provides a family home setting approved by the
21 Division of Children and Family Services for children whose placement and
22 care are the responsibility of the Division of Children and Family Services;

23 (J) Freight and storage charges and demurrage;

24 (K) Licenses required prior to performance of services;

25 (L)(i) Livestock procured by an agency having an official
26 experienced in selection and procurement of livestock.

27 (ii) A procurement under subdivision (14)(L)(i) of
28 this section shall be reported to the State Procurement Director, giving
29 details of the purchase;

30 (M) Livestock procured for breeding, research, or
31 experimental purposes;

32 (N) Maintenance on office machines and technical
33 equipment;

34 (O) Medical items specifically requested by a physician
35 for treatment or diagnosis of patients in his or her care, including
36 prosthetic devices, surgical instruments, heart valves, pacemakers,

- 1 radioisotopes, and catheters;
- 2 (P) Membership in professional, trade, and other similar
- 3 associations;
- 4 (Q) Perishable foodstuffs for immediate use or processing;
- 5 (R) Postage;
- 6 (S) Published books, manuals, maps, periodicals, films,
- 7 technical pamphlets, and copyrighted educational aids for use in libraries
- 8 and for other informational or instructional purposes in instances in which
- 9 other applicable law does not provide a restrictive means for the acquisition
- 10 of these materials;
- 11 (T) Services of visiting speakers, lecturers, and
- 12 performing artists;
- 13 (U) Taxes;
- 14 (V) Travel expense items such as room and board and
- 15 transportation charges;
- 16 (W) Utility services or equipment that is defined,
- 17 recognized, and regulated by the Arkansas Public Service Commission as a
- 18 monopoly offering;
- 19 (X) Works of art for museum and public display;
- 20 (Y) Capital improvements valued at less than the amount
- 21 stated in § 22-9-203, subject to minimum standards and criteria of the
- 22 Building Authority Division;
- 23 (Z) Services related to work force development, incumbent
- 24 work force training, or specialized business or industry training;
- 25 (AA) The following commodities and services relating to
- 26 proprietary software after the initial procurement:
- 27 (i) Technical support incidental to supporting the
- 28 continuous operation of proprietary software;
- 29 (ii) Renewals;
- 30 (iii) Additional copies; and
- 31 (iv) License upgrades;
- 32 (BB) Commodities and raw materials purchased by Arkansas
- 33 Correctional Industries intended for use in goods for resale;
- 34 (CC) Commodities purchased by the Division of Correction
- 35 for crop production, including without limitation fertilizers, seed,
- 36 seedlings, and agricultural-related chemicals;

1 (DD) Repair services for hidden or unknown damages to
2 machinery already purchased;

3 (EE) Commodities and services purchased by an academic
4 medical center using revenue derived from and used for patient care and
5 hospital enterprises; and

6 (FF) Commodities procured by the State Parks Division to
7 furnish and supply overnight lodging facilities with amenities, linens,
8 furniture, and general décor;

9 (15)(A)(i) "Grant" means the furnishing by the state of
10 assistance, whether financial or otherwise, to a person to support a program
11 authorized by law.

12 (ii) "Grant" does not include an award the primary
13 purpose of which is to procure an end product, whether in the form of
14 commodities or services.

15 (B) A contract resulting from such an award is not a grant
16 but a procurement contract;

17 (16) "May" means the permissive;

18 (17) "Paper product" means an item manufactured from paper or
19 paperboard;

20 (18) "Person" means a business, individual, union, committee,
21 club, or other organization or group of individuals;

22 (19) "Political subdivisions" means counties, municipalities,
23 and school districts;

24 (20)(A) "Procurement" means the buying, purchasing, renting,
25 leasing, or otherwise obtaining of any commodities or services.

26 (B) "Procurement" includes all functions that pertain to
27 the obtaining of any public procurement, including description of
28 requirements, selection and solicitation of sources, preparation and award of
29 contract, disposal of commodities, and all phases of contract administration;

30 (21) "Procurement agency" means a state agency that is
31 authorized by this chapter, by implementing rules, or by way of delegation
32 from the State Procurement Director to contract on its own behalf rather than
33 through the central contracting authority of the State Procurement Director;

34 (22)(A) "Procurement agent" means a person authorized by a state
35 agency not having an agency procurement official to enter into and administer
36 contracts and make written determinations and findings with respect to

1 contracts, in accordance with procedures prescribed by this chapter.

2 (B) "Procurement agent" includes an authorized
3 representative acting within the limits of authority;

4 (23)(A) "Public funds" means all state-appropriated and cash
5 funds of state agencies, as defined by applicable law or official ruling.

6 (B) Without necessarily being limited thereto, "public
7 funds" does not include:

8 (i) Grants, donations, research contracts, and
9 revenues derived from self-supporting enterprises that are not operated as a
10 primary function of the agency, no part of which funds are deposited into the
11 State Treasury; and

12 (ii) Revenue derived from patient care and self-
13 supporting hospital enterprises of an academic medical center;

14 (24) "Public notice" means the distribution or dissemination of
15 information to interested parties using methods that are reasonably
16 available, including publication in newspapers of general circulation, use of
17 electronic or paper mailing lists, and use of websites designated by the
18 State of Arkansas and maintained for that purpose;

19 (25)(A) "Purchase request" means that document, written or
20 electronic, in which a using agency requests that a contract be obtained for
21 a specified need.

22 (B) "Purchase request" may include without limitation the
23 technical description of the requested item, delivery schedule,
24 transportation, criteria for evaluation of solicitees, suggested sources of
25 supply, and information supplied for the making of a written or electronic
26 determination and finding required by this chapter;

27 (26) "Recycled paper" means paper that contains recycled fiber
28 in a proportion specified by the State Procurement Director;

29 (27)(A) "Services" means the furnishing of labor, time, or
30 effort by a contractor that does not produce tangible commodities.

31 (B) "Services" includes without limitation:

32 (i) Consulting services;

33 (ii) Personal services;

34 (iii) Professional services;

35 (iv) Technical and general services; and

36 (v) The furnishing of labor, time, or effort by a

1 contractor for the generation, customization, configuration, or development
2 of software and other intangible property other than technical support
3 incidental to the procurement of proprietary software.

4 (C) "Services" does not include employment agreements,
5 collective bargaining agreements, exempt commodities and services, or
6 architectural or engineering contracts requiring approval of the Building
7 Authority Division or the Division of Higher Education;

8 (28) "Shall" means the imperative;

9 (29) "Signature" means a manual, an electronic, or a digital
10 method executed or adopted by a party with the intent to be bound by or to
11 authenticate a record that is:

12 (A) Unique to the person using it;

13 (B) Capable of verification;

14 (C) Under the sole control of the person using it; and

15 (D) Linked to data in such a manner that if the data are
16 changed, the electronic signature is invalidated;

17 (30)(A) "State agency" means an agency, institution, authority,
18 department, board, commission, bureau, council, or other agency of the state
19 supported by appropriation of state or federal funds, except an exempt agency
20 pursuant to subdivision (13) of this section.

21 (B) "State agency" includes an exempt agency when an
22 agency or exempt agency procures an item subject to Arkansas Constitution,
23 Amendment 54;

24 (31)(A) "State contract" means a contract for the procurement of
25 commodities or services in volume, awarded by the State Procurement Director.

26 (B) The contract may apply to all or part of the state;

27 (32) "State Procurement Director" means the person holding the
28 position created in § 19-61-202, as the head of the Office of State
29 Procurement;

30 (33) "Suspension" means the disqualification of a person to
31 receive invitations for bids, requests for proposals, or the award of a
32 contract by the state for a temporary period pending the completion of an
33 investigation and legal proceedings that may ensue because a person is
34 suspected upon probable cause of engaging in criminal, fraudulent, or
35 seriously improper conduct or failure or inadequacy of performance, which may
36 lead to debarment;

1 (34)(A) "Technical and general services" means:
2 (i) Work accomplished by skilled individuals
3 involving time, labor, and a degree of expertise, in which performance is
4 evaluated based upon the quality of the work and the results produced;
5 (ii) Work performed to meet a demand, including
6 without limitation work of a recurring nature that does not necessarily
7 require special skills or extensive training; or
8 (iii) The furnishing of labor, time, or effort by a
9 contractor or vendor, not involving the delivery of any specific end product
10 other than reports that are incidental to the required performance.

11 (B) "Technical and general services" does not include the
12 procurement of professional services under § 19-65-101 et seq.;

13 (35) "Using agency" means a state agency that utilizes any
14 commodities or services purchased under this *chapter*; and

15 (36) "Written" or "in writing" means the product of any method
16 of forming characters on paper, other materials, or viewable screens, which
17 can be read, retrieved, and reproduced, including information that is
18 electronically transmitted and stored.

19

20 19-61-104. Applicability.

21 (a)(1) This chapter applies to:

22 (A) Every expenditure of public funds by this state,
23 acting through a state agency, under any contract; and

24 (B) The disposal of state commodities.

25 (2) This chapter does not apply to:

26 (A) Either grants or contracts between the state and its
27 political subdivisions or other governments, except as provided in §§ 19-61-
28 801 – 19-61-811; or

29 (B) Contracts between agencies, except as provided in §§
30 19-61-801 – 19-61-811.

31 (b) This chapter does not preclude the acceptance of gifts and
32 donations in the manner authorized by law.

33

34 19-61-105. Exemptions.

35 (a) An out-of-state off of a state agency need not procure commodities
36 and services for the use of the out-of-state office through the Office of

1 State Procurement.

2 (b) Commodities and services procured outside the Office of State
3 Procurement under subsection (a) of this section shall be procured subject to
4 the requirements of this chapter and the state procurement rules.

5

6 19-61-106. Construction – Preemption of other laws.

7 This chapter shall:

8 (1) Be construed liberally and applied to promote its underlying
9 purposes and policies; and

10 (2) Preempt any conflicting state statutes and principles of
11 common law or equity.

12

13 19-61-107. Operation of other laws.

14 Unless displaced by the particular provisions of this chapter, the
15 principles of law and equity, including the Uniform Commercial Code, § 4-1-
16 101 et seq., of this state, the law merchant, and law relative to capacity to
17 contract, agency, fraud, misrepresentation, duress, coercion, mistake, or
18 bankruptcy supplement this chapter.

19

20 19-61-108. Obligation of “good faith” – Definition.

21 (a) Every contract or duty within this chapter imposes an obligation
22 of good faith in its performance or enforcement.

23 (b) As used in this section, “good faith” means honesty in fact in the
24 conduct or transaction concerned and the observance of reasonable commercial
25 standards of fair dealing.

26

27 19-61-109. Existing contracts.

28 The administration of contracts in existence on July 1, 1979, are the
29 responsibility of the appropriate officials described in this chapter.

30

31 19-61-110. Federal assistance requirements.

32 If federal assistance requirements or federal contract requirements
33 conflict with this chapter or rules promulgated under this chapter, nothing
34 in this chapter or its rules shall prevent a state agency or political
35 subdivision from complying with the terms and conditions of the federal
36 assistance requirements or the federal contract requirements.

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19-61-111. Determinations and findings.

Written determinations and findings required by this chapter shall be retained in an official contract file by the Office of State Procurement or by the state agency administering the contract for a period of five (5) years.

19-61-112. Compliance reporting.

(a) Each report required under this chapter shall be copied to the Secretary of the Department of Transformation and Shared Services, who shall review each report for compliance with the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-501 et seq.

(b) If the secretary determines that a state agency, agency procurement official, or state official or employee may be in violation of the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-501 et seq., the secretary shall notify the chief executive officer of the relevant state agency.

19-61-113. Penalty for intentional violation.

A person who purposely violates state procurement laws, Arkansas Code Title 19, Subtitle 4, upon conviction is guilty of a Class D felony.

19-61-114. Tracking requirements.

(a) The State Procurement Director, each agency procurement official, and any state agency with procurement authority under a delegation order shall track the following for the procurements they conduct and the contracts they execute:

- (1) Each protest received and the resolution of the protest;
- (2) The outcome of any negotiations under this subtitle; and
- (3) The anticipated procurement needs of the state agency based

on the contracts that:

- (A) Are set to expire during the next twelve (12) months;

and

- (B) Will require a new solicitation in the next twelve

(12) months.

1 (b) Each agency procurement official and each state agency with
2 procurement authority under a delegation order shall report the information
3 obtained under subsection (a) of this section to the Office of State
4 Procurement.

5
6 19-61-115. Requests for information – Definition.

7 (a) As used in this section, “request for information” means a
8 procedure for formally requesting information, data, comments, or reactions
9 from prospective bidders or offerors in contemplation of a possible
10 competitive sealed bidding procurement under § 19-61-505 or a competitive
11 sealed proposal procurement under § 19-61-506.

12 (b) The State Procurement Director, a head of a procurement agency, or
13 a designee of the director or of a head of a procurement agency, may issue or
14 authorize another person to issue a request for information.

15 (c) A request for information under this section shall be published in
16 the same manner and location as an invitation for bids, a request for
17 proposals, or a request for qualifications.

18 (d) A contract shall not be awarded directly from a request for
19 information.

20 (e) Information provided in response to a request for information
21 under this section is exempt from the Freedom of Information Act of 1967, §
22 25-19-101 et seq., until:

23 (1) The bids for a competitive sealed bidding procurement are
24 opened publicly;

25 (2) The notice of anticipation to award is given for a
26 competitive sealed proposal procurement; or

27 (3) A decision is made not to pursue a procurement based on the
28 request for information.

29
30 19-61-116. Submission of contracts required – Definition.

31 (a)(1) Except for critical emergency procurements and as otherwise
32 provided in this section, a contract requiring the services of one (1) or
33 more persons shall be presented to the Legislative Council or, if the General
34 Assembly is in session, to the Joint Budget Committee, if the annual contract
35 amount is at least fifty thousand dollars (\$50,000) in any one (1) contract
36 year or if the total projected contract amount, including any amendments or

1 possible extensions, is at least three hundred fifty thousand dollars
2 (\$350,000).

3 (2) The Legislative Council or the Joint Budget Committee shall
4 provide the State Procurement Director with its review as to the propriety of
5 the contract within thirty (30) days after receipt of the proposed contract.

6 (3) The contract shall not be submitted to the Legislative
7 Council or to the Joint Budget Committee until the Office of State
8 Procurement has reviewed the contract and provided the Legislative Council or
9 the Joint Budget Committee with a recommendation regarding the legality of
10 the contract.

11 (4)(A)(i) A contract that does not have a material change upon
12 renewal or extension shall be included in the monthly report required under §
13 19-61-210 instead of being submitted to the Legislative Council or the Joint
14 Budget Committee for review under this subsection.

15 (ii) As used in this subdivision (a)(4), "material
16 change" includes without limitation:

17 (a) An increase in the contract amount;

18 (b) An increase in the total projected
19 contract amount;

20 (c) A change in any of the essential terms of
21 the contract;

22 (d) A change in any performance-based
23 standards stated in the contract;

24 (e) The imposition of financial consequences
25 as the result of a failure to satisfy performance-based standards under § 19-
26 61-517 during the year preceding the renewal or extension of the contract;
27 and

28 (f) The submission of a vendor performance
29 report during the year preceding the renewal or extension of the contract.

30 (B) However, a state agency may elect to submit a contract
31 for review under this subsection if the state agency is uncertain whether the
32 contract has a material change.

33 (5) A contract that is submitted for review under this
34 subsection and that has a total projected contract amount of at least three
35 hundred fifty thousand dollars (\$350,000) shall have a cover sheet that
36 provides the following information:

- 1 (A) A description of the services being procured;
2 (B) A description of the procurement process followed,
3 including without limitation the method used for the procurement; and
4 (C) The outcome of any protests.

5 (b) The Legislative Council or the Joint Budget Committee may review
6 or exempt from review any contract or group of contracts contemplated by this
7 section.

8 (c) A contract that is procured by a state agency that has a state
9 agency procurement official or procurement authority under a delegation order
10 is subject to the presentment requirements under this section.

11 (d) It is a violation of state procurement laws, Arkansas Code Title
12 19, Subtitle 4, for a state agency official to procure services in an
13 incremental or split purchase arrangement to avoid the presentment
14 requirements of this section.

15

16 19-61-117. Rules.

17 (a)(1) The State Procurement Director shall adopt rules in accordance
18 with the applicable provisions of this chapter and of the Arkansas
19 Administrative Procedure Act, § 25-15-201 et seq.

20 (2) A rule promulgated by the director under this chapter is not
21 effective until the rule is:

22 (A) Submitted to and reviewed by the Review Subcommittee
23 of the Legislative Council; and

24 (B) Reviewed and approved by the Legislative Council under
25 § 10-3-309.

26 (b) A rule shall not change any commitment, right, or obligation of
27 the state or of a contractor under a contract in existence on the effective
28 date of the rule.

29 (c)(1) A clause that is required by rule to be included is not
30 incorporated by operation of law in any state contract without the consent of
31 both parties to the contract to the incorporation.

32 (2) The parties to the contract may give such consent to
33 incorporation by reference at any time after the contract has been entered
34 into and without the necessity of consideration passing to either party.

35

36 Subchapter 2 – Office of State Procurement – State Procurement Director

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19-61-201. Office of State Procurement.

(a) There is created within the Department of Transformation and Shared Services the Office of State Procurement to be administered by the State Procurement Director.

(b)(1) The Office of State Procurement shall be subject to the supervision and management of the Secretary of the Department of Transformation and Shared Services.

(2) The rules authorized in this chapter shall be approved by the secretary before the filing of the rules in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

19-61-202. State Procurement Director.

(a)(1) The executive head of the Office of State Procurement is designated as the administrator of the Office of State Procurement, and as such, he or she shall be known and designated as the "State Procurement Director".

(2) The Secretary of the Department of Transformation and Shared Services shall appoint the State Procurement Director.

(b) The director shall be at least thirty (30) years of age, of good moral character, and of demonstrated ability or capacity in the field of purchasing commodities and services.

19-61-203. Powers and duties of State Procurement Director.

(a) The State Procurement Director shall serve as the principal procurement officer of the state.

(b)(1) Except as otherwise provided in this chapter and upon the approval of the Secretary of the Department of Transformation and Shared Services, the State Procurement Director shall have the authority and responsibility to promulgate rules consistent with this chapter.

(2) In addition, consistent with this chapter, the director may adopt rules governing the internal procedures of the Office of State Procurement.

(c) Except as otherwise specifically provided in this chapter, the director, within the limitations of this chapter and the rules promulgated under authority of this chapter:

1 (1) Shall procure or supervise the procurement of all
2 commodities and services for each state agency not having an agency
3 procurement official and, when requested to do so by such an official,
4 procure commodities and services not otherwise under state contract;

5 (2) Shall manage and establish internal procedures for the
6 office;

7 (3) Shall sell, trade, or otherwise dispose of surplus
8 commodities belonging to the state;

9 (4) May establish and maintain programs for the inspection,
10 testing, and acceptance of commodities and services;

11 (5) Shall establish and manage a list of vendors desiring
12 written notice of invitations for bid;

13 (6) May establish, by rule, a fee for receiving a written or
14 electronic notice of invitations for bid;

15 (7) Shall ensure compliance with this chapter and implementing
16 rules by reviewing and monitoring procurements conducted by any designee,
17 department, agency, or official delegated authority under this chapter;

18 (8) Shall create a roster of expiring contracts entered into by
19 a state agency for which there is no new requisition;

20 (9) Shall analyze information captured in state systems to
21 measure and track the contract routing process to identify stakeholders that
22 may be contributing to the elongation of the contracting process;

23 (10) Shall ensure that vendor performance reports are available
24 to and searchable by state agencies;

25 (11) Shall provide for enhanced training on the drafting of
26 specifications for procurements;

27 (12) Shall maintain records of bids and proposals that are
28 rejected by the office for failure to adhere to the mandatory requirements of
29 a solicitation;

30 (13) Upon the written request of a state agency or an actual or
31 prospective bidder, offeror, or contractor, may declare his or her
32 administrative interpretation of any provision of this chapter and issue an
33 advisory opinion regarding the construction and application of the provision;
34 and

35 (14) May negotiate and enter into a nonmandatory state contract
36 with retailers for special prices or rates for commodities or services, or

1 both, for the benefit of public procurement entities, independent of the
2 source selection methods in §§ 19-61-502 and 19-61-505, if the contractor
3 agrees to provide the commodities or services, or both, subject to the
4 contract at either the standard retail price or a discounted price.

5
6 19-61-204. Assistants and designees – Written delegation orders.

7 (a) Subject to the Uniform Classification and Compensation Act, § 21-
8 5-201 et seq., and the approval of the Secretary of the Department of
9 Transformation and Shared Services, the State Procurement Director may:

10 (1) Employ and supervise such assistants and other persons as
11 may be necessary and fix their compensation as provided by law; and

12 (2)(A) Delegate authority to designees or to a state agency by
13 issuing a written delegation order, within the limitations of state law and
14 the state procurement rules.

15 (B) A written delegation order issued under this section
16 shall:

17 (i) Include an expiration date for the written
18 delegation order;

19 (ii) Be publicly posted on the official website of
20 the Office of State Procurement;

21 (iii) Remain in effect under the original terms
22 unless the terms of the written delegation order are modified or rescinded in
23 writing by the director;

24 (iv) Not be issued for a term that exceeds two (2)
25 years; and

26 (v) Be narrowly tailored if the written delegation
27 order is based on the type of commodity or service being procured.

28 (C) The director shall maintain records of each written
29 delegation order issued under this section.

30 (D) A person who is to be given authority under a written
31 delegation order issued under this section shall complete training on state
32 procurement laws, as provided for in this chapter and in the rules adopted by
33 the director, before the written delegation order is issued.

34 (b) The director shall adopt rules to:

35 (1) Implement the requirements for written delegation orders
36 under this section; and

1 (2) Outline the procurement training required under this
2 section.

3
4 19-61-205. Legal counsel – Contract review.

5 (a) The Attorney General shall act as counsel for the State
6 Procurement Director in preparation of necessary contracts and in all legal
7 matters.

8 (b)(1) A contract that the director has designated as requiring review
9 shall be reviewed by a person employed as an attorney with a state agency.

10 (2) The review required under this subsection shall occur before
11 the contract is executed.

12 (c) The director shall adopt rules to implement this section,
13 including without limitation rules to:

14 (1) Designate contracts that require review under this section,
15 which may include without limitation contracts that:

16 (A) Exceed a certain dollar amount;

17 (B) Modify the standard state terms and conditions; and

18 (C) Are based on other stated criteria; and

19 (2) Identify the requirements for the attorneys who may review
20 contracts under this section, including without limitation:

21 (A) An attorney employed with the Office of State
22 Procurement, an institution of higher education, or the Office of the
23 Attorney General; and

24 (B) Any other attorney employed by the state and licensed
25 to practice law in Arkansas.

26
27 19-61-206. Exclusive jurisdiction over procurement – Definitions.

28 (a) The State Procurement Director has exclusive jurisdiction over the
29 procurement of:

30 (1) Items subject to Arkansas Constitution, Amendment 54;

31 (2) Wholesale gasoline, oil, and related products;

32 (3) Tires;

33 (4)(A) Passenger motor vehicles and trucks, except highway
34 construction and highway maintenance equipment, any specialized type of
35 equipment used in highway construction, or a motor vehicle purchased under §
36 6-21-307, except as otherwise provided in this chapter.

1 (B) The director may issue a request for qualifications
2 for the procurement of passenger motor vehicles and trucks to compile a
3 qualified vendor list that includes vendors in multiple areas of the state;

4 (5) Paper products;

5 (6) New and used school buses for state agencies;

6 (7) A purchasing card program and travel card program to include
7 implementation and administration; and

8 (8) An electronic commerce procurement solution to include
9 planning and administration consistent with the established financial systems
10 of the state.

11 (b) As used in this section:

12 (1) "Printing" means the process of transferring images, by the
13 use of standard industrial type printer ink, upon documents such as
14 letterhead, envelopes, pamphlets, booklets, and forms;

15 (2) "Stationery" means imprinted letterhead and envelopes used
16 by the General Assembly and other departments of state government to identify
17 an individual department, agency, board, commission, etc.; and

18 (3) "Supplies" means paper and inks used to produce stationery.
19

20 19-61-207. Commodities, technical and general services, and
21 professional and consultant services under state contract.

22 (a)(1) In addition to establishing a state contract for those
23 commodities, technical and general services, and professional and consultant
24 services within the exclusive jurisdiction of the State Procurement Director
25 under § 19-61-206, the director may award a mandatory state contract for
26 other commodities, technical and general services, and professional and
27 consultant services when the director determines that combining the
28 collective purchasing power of the state would be beneficial to the state.

29 (2) The director shall submit a mandatory state contract that is
30 not for commodities or services within the exclusive jurisdiction of the
31 director to the Legislative Council or, if the General Assembly is in
32 session, to the Joint Budget Committee, for review.

33 (b)(1) Unless an exemption is approved by the director under
34 subdivision (b)(2) of this section, a state agency that requires commodities,
35 technical and general services, and professional and consultant services that
36 are under a mandatory state contract shall procure these commodities,

1 technical and general services, and professional and consultant services
2 exclusively under the mandatory state contract.

3 (2)(A) Except as provided in § 19-61-508, the director may
4 approve an exemption from a mandatory state contract awarded under this
5 section only if the state agency demonstrates that substantial savings will
6 likely be effected by purchasing outside of the mandatory state contract.

7 (B)(i) Approval of an exemption from a mandatory state
8 contract under this section shall be in writing.

9 (ii) Denial of a request for an exemption from a
10 mandatory state contract under this section is not required to be in writing.

11 (c) All contracts concerning commodities, technical and general
12 services, and professional and consultant services shall disclose a projected
13 total cost, including without limitation expenditures that may be incurred
14 under all available periods of extension if the extensions were executed.

15 (d) The director shall:

16 (1) Identify and prioritize opportunities for awarding mandatory
17 state contracts under this section;

18 (2) Conduct mandatory state contract procurements under this
19 section that would produce savings for the state;

20 (3) Attempt to invite the participation of the potentially
21 affected state agencies in the development and evaluation of a mandatory
22 state contract procurement;

23 (4) Post notice of his or her intent to procure a mandatory
24 state contract on the official website of the Office of State Procurement;
25 and

26 (5)(A) Promote the use of mandatory state contracts among county
27 and city governments, including without limitation making information about
28 the mandatory state contracts readily available and searchable.

29 (B) The director shall adopt rules to include any
30 necessary conditions, reporting, or document retention standards related to
31 the director's duty to promote mandatory state contract use under this
32 subsection.

33
34 19-61-208. Recommendations.

35 (a) The State Procurement Director shall maintain a close and
36 cooperative relationship with the using agencies.

1 (b)(1) The director shall afford each using agency reasonable
2 opportunity to participate in and make recommendations with respect to
3 matters affecting the using agency.

4 (2) At any time, a using agency may make recommendations to the
5 director, and the director may make recommendations to a using agency.

6 (3) The Secretary of the Department of Transformation and Shared
7 Services may make recommendations to the director.

8
9 19-61-209. Statistical data.

10 The State Procurement Director and the Secretary of the Department of
11 Transformation and Shared Services shall cooperate with the Division of
12 Budgets and Accounting in the preparation of statistical data concerning the
13 procurement and disposition of all commodities and services, unless otherwise
14 provided in this chapter.

15
16 19-61-210. Reporting requirements.

17 (a) The State Procurement Director shall compile a monthly report of
18 all executed contracts for services that have a total initial contract amount
19 or a total projected contract amount, including any amendments or possible
20 extensions, of at least twenty-five thousand dollars (\$25,000) but less than:

21 (1) An annual contract amount of fifty thousand dollars
22 (\$50,000) in any one (1) contract year; or

23 (2) A total projected contract amount, including any amendments
24 or possible extensions, of three hundred fifty thousand dollars (\$350,000).

25 (b) A contract that is procured by a state agency that has a state
26 agency procurement official or procurement authority under a delegation order
27 is subject to the reporting requirements under this section.

28 (c) The State Procurement Director shall adopt rules to:

29 (1) Prescribe a cover sheet for the report required under this
30 section that sorts and identifies contracts within the report that may be
31 candidates for review;

32 (2) Create instructions for completing the cover sheet
33 prescribed under subdivision (c)(1) of this section; and

34 (3) Provide for the identification of any contracts included in
35 the report that may need to be reviewed under § 19-61-116.

36 (d) It is a violation of state procurement laws, Arkansas Code Title

1 19, Subtitle 4, for a state agency official to procure services in an
2 incremental or split purchase arrangement to avoid the reporting requirements
3 of this section.

4
5 Subchapter 3 – State Agencies – Agency Procurement Officials

6
7 19-61-301. Agency procurement officials.

8 (a) In addition to any state agency authorized by rule to have an
9 agency procurement official, each of the following state agencies may elect
10 to have such an official for commodities, technical and general services, and
11 professional and consultant services, that are not within the exclusive
12 jurisdiction of the State Procurement Director and that are not under state
13 contract:

- 14 (1) Arkansas Department of Transportation;
- 15 (2) Arkansas State University-Beebe;
- 16 (3) Arkansas State University;
- 17 (4) Arkansas State University system;
- 18 (5) Arkansas Tech University;
- 19 (6) Henderson State University;
- 20 (7) Southern Arkansas University;
- 21 (8) University of Arkansas at Fayetteville;
- 22 (9) University of Arkansas Fund entities;
- 23 (10) University of Arkansas at Little Rock;
- 24 (11) University of Arkansas at Monticello;
- 25 (12) University of Arkansas at Pine Bluff;
- 26 (13) University of Arkansas for Medical Sciences;
- 27 (14) University of Central Arkansas;
- 28 (15) Arkansas State University-Mountain Home;
- 29 (16) Arkansas State University-Newport;
- 30 (17) Black River Technical College;
- 31 (18) Cossatot Community College of the University of Arkansas;
- 32 (19) East Arkansas Community College;
- 33 (20) National Park College;
- 34 (21) Arkansas Northeastern College;
- 35 (22) Arkansas State University Mid-South;
- 36 (23) North Arkansas College;

- 1 (24) Northwest Arkansas Community College;
- 2 (25) Arkansas State University Three Rivers;
- 3 (26) Ozarka College;
- 4 (27) Phillips Community College of the University of Arkansas;
- 5 (28) University of Arkansas Community College at Morrilton;
- 6 (29) University of Arkansas – Pulaski Technical College;
- 7 (30) University of Arkansas Community College at Rich Mountain;
- 8 (31) SAU-Tech;
- 9 (32) Southeast Arkansas College;
- 10 (33) South Arkansas College;
- 11 (34) University of Arkansas Community College at Batesville;
- 12 (35) University of Arkansas Community College at Hope-Texarkana;
- 13 (36) University of Arkansas at Fort Smith; and
- 14 (37) Division of Higher Education.

15 (b)(1) Each official shall manage and establish internal procedures
16 for the procurement office of the state agency authorized to have the
17 official to ensure adequate administrative procedures and controls pursuant
18 to law and the procurement rules.

19 (2)(A) Approval by the Office of State Procurement of contracts
20 administered by the official shall not be required, unless a determination
21 has been made by the Secretary of the Department of Transformation and Shared
22 Services that administrative procedures and controls are not adequate.

23 (B)(i) Such a determination shall result in notification
24 by the secretary of the specific deficiencies and the reasons therefor.

25 (ii) After the notification, approval of contracts
26 by the Office of State Procurement shall be required until the secretary
27 determines that the deficiencies have been corrected.

28 (c) Except for the promulgation by the director of rules authorized in
29 this chapter and the letting of state contracts, all rights and practices
30 granted in this chapter to the Office of State Procurement and the director
31 are granted to an official in the administration of contracts for the state
32 agency authorized to have the official.

33 (d) This section does not prohibit a state agency from utilizing the
34 Office of State Procurement in the same manner as state agencies not
35 authorized to have officials.

36

1 19-61-302. Agency procurement official for Division of Correction.

2 (a) In addition to those agencies, institutions, and departments of
3 state government enumerated in § 19-61-301 that may elect to have agency
4 procurement officials for commodities, technical and general services, and
5 professional and consultant services that are not within the exclusive
6 jurisdiction of the State Procurement Director, that are not under state
7 contract, and which are not procured in accordance with § 19-61-506, the
8 Division of Correction and the Division of Community Correction may have such
9 officials for the sole purpose of procuring perishable food items, who shall
10 possess all powers, functions, and duties as authorized for agency
11 procurement officials under this chapter with respect to perishable food
12 items only.

13 (b)(1) The officials of the Division of Correction and the Division of
14 Community Correction have exclusive authority to procure perishable food
15 items in accordance with applicable administrative procedures and controls
16 established pursuant to this chapter and the procurement rules.

17 (2) Except as noted in this subsection and in subsection (c) of
18 this section, the officials of the Division of Correction and the Division of
19 Community Correction are subject to all other provisions and requirements of
20 this chapter and administrative procedures controls and procurement rules
21 provided in or promulgated pursuant to this chapter.

22 (c)(1)(A) The Board of Corrections, annually, and at more frequent
23 intervals if deemed necessary, shall make studies and determine whether it
24 would be in the best interest of the management of the farm croplands at the
25 farm units or at each of the separate farm units of the Division of
26 Correction to provide for the lease of farm machinery and equipment, or
27 certain items thereof, required for the production of farm crops, or whether
28 it would be in the better interest of the Division of Correction to acquire
29 such items of farm machinery and equipment by purchase.

30 (B)(i) Upon conclusion of the study, the board, by
31 resolution adopted by a majority of the members of the board at a regular or
32 special meeting, may authorize the agency procurement official for the
33 Division of Correction to advertise for bids for the leasing of farm
34 equipment or for the purchase of the items of farm equipment noted in the
35 resolution.

36 (ii)(a) A lease of farm equipment shall not be for

1 more than two (2) years nor extend beyond June 30 of the fiscal biennium for
2 which current funds have been appropriated for the operation of the Division
3 of Correction.

4 (b) However, this section does not prohibit
5 the lease from including provisions, terms, or conditions upon which the
6 lease may be renewed for an additional period of time, not exceeding two (2)
7 years, at the option of the board.

8 (2)(A) If the board determines to provide for the leasing of
9 farm machinery or equipment necessary in the farming operations of the
10 Division of Correction, the official of the Division of Correction shall be
11 the exclusive purchasing agent for advertising of bids and awarding of
12 contracts for the leases, subject to the approval of the Director of the
13 Division of Correction and the board.

14 (B) In the advertising for bids and the awarding of
15 contracts, the state laws, procurement procedures, and rules shall be
16 complied with in awarding the contracts.

17 (C)(i) The board is not required to award the contract for
18 the furnishing of farm machinery and equipment under a lease agreement to the
19 lowest bidder, unless the board determines that the awarding of the contract
20 to the lowest bidder would be in the best interest of the farming operations
21 of the Division of Correction.

22 (ii) In that event, the board may award the contract
23 to the bidder whose bid proposal is deemed by the board to be in the better
24 interest of the farming operations of the Division of Correction.

25 (D) In making a determination under subdivision (c)(2)(C)
26 of this section, the board shall consider without limitation the following
27 factors:

28 (i) The type of equipment to be furnished;

29 (ii) Compatibility of the equipment with the
30 training and experience of the farm managers and employees of the Division of
31 Correction and the experience and skills of the inmates who will be using the
32 equipment;

33 (iii) Provisions contained in the bid proposal
34 providing for maintenance, repair, and service and upkeep of the equipment
35 during the lease period, availability of the service and repair facilities,
36 and source of replacement or repair parts;

1 (iv) The age and condition of the equipment to be
2 leased; and

3 (v) Such other factors as the board deems essential
4 to performance under the contract and dependability and reliability of the
5 equipment to be furnished during the period of the lease.

6 (3)(A)(i) In determining the items of farm machinery and
7 equipment to be acquired by purchase, the board may designate, if the board
8 determines it to be within the better interest of the management of farm
9 croplands of the Division of Correction, those items of farm machinery and
10 equipment to be purchased.

11 (ii) The board may restrict the bid to equipment
12 produced by no fewer than two (2) manufacturers of each item of equipment.

13 (B) In making a determination under subdivision (c)(3)(A)
14 of this section, the board shall include without limitation a consideration
15 of the following factors:

16 (i) The types of farm machinery equipment now being
17 used by the Division of Correction and the experience gained by the Division
18 of Correction in the use of the equipment for the purposes for which it is
19 being purchased;

20 (ii) Availability of service and replacement and
21 spare parts for the equipment;

22 (iii) Familiarity with the equipment of the
23 employees or inmates responsible for the maintenance, repair, and upkeep
24 thereof;

25 (iv) Compatibility of the farm machinery and
26 equipment with repair and maintenance shop facilities available at the
27 Division of Correction;

28 (v) Access to the dealer responsible for warranty
29 service; and

30 (vi) Such additional factors as the board deems
31 pertinent to the better interests of the management and operation of the farm
32 crop lands of the Division of Correction.

33 (C)(i) All purchases of farm machinery and equipment shall
34 be in accordance with the applicable state procurement laws and rules
35 promulgated under the applicable state procurement laws.

36 (ii) Contracts for the providing or furnishing of

1 service, repair, and replacement parts of farm machinery and equipment may
2 include provision for the furnishing of a stated quantity of replacement and
3 spare parts to be stored at the Division of Correction or may include
4 contract prices for major or standard items of service or for the furnishing
5 of replacement and spare parts at stated prices, which shall be at a discount
6 from the published dealer price list, as the board may deem in the best
7 interest of the Division of Correction.

8 (iii) As an alternative, the board may elect to
9 authorize the official to acquire replacement and spare parts on a need basis
10 by following the applicable state procurement procedure in the acquisition of
11 each item thereof as needed.

12 (4)(A) The official of the Division of Correction acting under
13 the instruction and direction of the board and the Director of the Division
14 of Correction shall be the sole and exclusive purchasing agent for the
15 acquisition of:

16 (i) Farm machinery and equipment, whether by lease
17 or purchase;

18 (ii) Repair services for farm machinery and
19 equipment and repair and replacement parts for farm machinery and equipment
20 in the manner set forth in this section; and

21 (iii) Those items covered in subsection (b) of this
22 section.

23 (B) This section does not prohibit the Division of
24 Correction from requesting the State Procurement Director to make available
25 the services of the Office of State Procurement in the acquisition of any
26 item for which the official of the Division of Correction is the exclusive
27 purchasing agent under this section.

28
29 19-61-303. Interest and carrying charges.

30 State agencies, including exempt agencies, may enter into contracts
31 that contemplate the payment of interest and late charges, but only when such
32 late charges are incurred sixty (60) days after payment is due or carrying
33 charges under such rules as may be promulgated by the State Procurement
34 Director.

35
36 19-61-304. Training and certification of procurement personnel.

1 (a) The State Procurement Director shall establish a training and
2 certification program to facilitate the training, continuing education, and
3 certification of state agency procurement personnel.

4 (b) As part of the training and certification program required under
5 this section, the director:

6 (1) Shall conduct procurement education and training for state
7 agency employees and other public employees;

8 (2)(A) Shall establish a tiered core curriculum that outlines
9 the minimum procurement-related training courses a state agency employee is
10 required to complete for certification.

11 (B) The tiered core curriculum required under subdivision
12 (b)(2)(A) of this section shall:

13 (i) Be designed to develop procurement competency;
14 and

15 (ii) Create a uniform training approach for state
16 agency employees ranging from entry-level procurement personnel to agency
17 procurement officials;

18 (3) May charge a reasonable fee for each participant to cover
19 the cost of providing the training required under this section;

20 (4) May conduct, develop, and collaborate with established
21 training programs, if any, for the purpose of providing certifications of
22 proficiency to state agency employees who complete the training and
23 certification program;

24 (5) May conduct research into existing and new procurement
25 methods; and

26 (6) May establish and maintain a state procurement library.

27 (c)(1) A state agency employee shall not conduct a procurement under
28 this chapter unless the state agency employee is certified through the
29 training and certification program required under this section.

30 (2) To maintain certification under this section, a state agency
31 employee shall complete a reasonable number of hours of continuing education,
32 as provided for by rule by the director.

33 (d)(1) The director shall revoke the certification of a state agency
34 employee who is certified under this section and who is determined to have
35 knowingly violated state procurement laws, Arkansas Code Title 19, Subtitle
36 4.

1 (2) The director shall adopt rules regarding the procedure for
2 revoking a state agency employee's certification under this section.

3
4 19-61-305. Solicitation conferences.

5 (a)(1) A state agency may hold a solicitation conference before or
6 after issuing an invitation for bids, a request for proposals, or a request
7 for qualifications under § 19-65-101 et seq.

8 (2) A solicitation conference may be held:

9 (A) In person; or

10 (B) Online or in another virtual format.

11 (b) Attendance by a vendor at a solicitation conference is not
12 required for that vendor's bid, proposal, or statement of qualifications to
13 be accepted unless the attendance requirement is:

14 (1) Explicitly stated in the invitation for bids, request for
15 proposals, or request for qualifications; and

16 (2) Approved by the State Procurement Director or the head of
17 the procurement agency.

18 (c) A state agency holding a solicitation conference shall:

19 (1) For an invitation for bids or a request for proposals,
20 include the date and time of the solicitation conference in the notice
21 required under § 19-61-505;

22 (2) Require vendors in attendance at a solicitation conference
23 to sign in at the solicitation conference or provide a registration record
24 for an online or other virtual solicitation conference, regardless of whether
25 attendance is required under the solicitation; and

26 (3) Maintain the sign-in sheet or registration records with the
27 other documents related to the solicitation.

28 (d) A statement made at a solicitation conference does not change the
29 invitation for bids, request for proposals, or request for qualifications
30 unless a change is made by written amendment to the invitation for bids,
31 request for proposals, or request for statements of qualifications.

32 (e) A state agency is encouraged to hold a solicitation conference for
33 a procurement that:

34 (1) Has a contract amount of at least:

35 (A) Five million dollars (\$5,000,000) for a single
36 contract year; or

1 (B) Thirty-five million dollars (\$35,000,000) for the
2 total anticipated term of the contract, including any extensions, based on
3 the previous contract for the same commodities or services or, if a previous
4 contract is not available, a contract for similar commodities or services; or

5 (2) Is of strategic importance to the state.
6

7 Subchapter 4 – Vendors – Contractors – Bidders
8

9 19-61-401. Responsibility of bidders and offerors.

10 (a)(1) A determination of nonresponsibility of a bidder or offeror
11 shall be made in accordance with rules promulgated by the State Procurement
12 Director.

13 (2) A reasonable inquiry to determine the responsibility of a
14 bidder or offeror may be conducted.

15 (3) The unreasonable failure of a bidder or offeror to promptly
16 supply information in connection with such an inquiry may be grounds for a
17 determination of nonresponsibility with respect to such bidder or offeror.

18 (4) If a bidder or offeror is determined to be nonresponsible,
19 the reasons therefor shall be included in the determination.

20 (b)(1) Except as otherwise provided by law, information furnished by a
21 bidder or offeror pursuant to this section shall not be disclosed outside of
22 the Office of State Procurement or the procurement agency without prior
23 written consent by the bidder or offeror.

24 (2) This section is not intended to prohibit the office from
25 disclosing such information to the Governor, the Attorney General, or the
26 Secretary of the Department of Transformation and Shared Services when any of
27 those officers deems it necessary.

28 (c) The director or the agency procurement official may require the
29 posting of a bid bond, a performance bond, or a similar assurance by any
30 actual or prospective bidder, offeror, or contractor, under rules promulgated
31 under this chapter.
32

33 19-61-402. Prequalification of suppliers.

34 (a)(1) The State Procurement Director may provide for prequalification
35 of suppliers as responsible prospective contractors for particular types of
36 commodities, technical and general services, and professional and consultant

1 services.

2 (2) Solicitation mailing lists of potential contractors shall
3 include without limitation such prequalified suppliers.

4 (b) Prequalifications shall not foreclose a written determination:

5 (1) Between the time of the bid opening or receipt of offers and
6 making of an award that a prequalified supplier is not responsible; or

7 (2) That a supplier who is not prequalified at the time of bid
8 opening or receipt of offers is responsible.

9

10 19-61-403. Reporting of suspected collusion – Definition.

11 (a) As used in this section, “collusion” means cooperation in the
12 restraint of free and open competition in a public procurement, including
13 without limitation:

14 (1) Price fixing;

15 (2) Bid rigging;

16 (3) Customer or market allocation;

17 (4) Misrepresenting the independence of the relationship between
18 colluding parties; and

19 (5) Exerting improper influence on public officials to obtain
20 advantage in a public procurement, including without limitation:

21 (A) Offering bribes or kickbacks;

22 (B) Extortion; and

23 (C) Fraudulent misrepresentation.

24 (b) When for any reason collusion is suspected among any bidders or
25 offerors, a written notice of the relevant facts shall be transmitted to the
26 Attorney General.

27 (c)(1) All documents involved in a procurement in which collusion is
28 suspected shall be retained until the Attorney General gives notice that they
29 may be destroyed.

30 (2) All retained documents shall be made available to the
31 Attorney General or a designee upon request and proper receipt of the
32 request.

33 (d) Collusion is cause for:

34 (1) Debarment from consideration for award of a contract under §
35 19-61-702; and

36 (2) Suspension from consideration for award of a contract if

1 there is probable cause for suspecting collusion as determined by the
2 Attorney General or the State Procurement Director.

3
4 19-61-404. Vendor training and polling.

5 The Office of State Procurement shall:

6 (1)(A) Develop and deliver vendor training to inform interested
7 vendors of how to do business with the state.

8 (B) The training required under subdivision (1)(A) of this
9 section shall:

10 (i) Be offered throughout the state; and

11 (ii) Be delivered as training sessions in person and
12 online or in another virtual format; and

13 (2) Periodically poll vendors that have been successful in
14 securing business with the state and vendors that have not been successful in
15 securing business with the state to solicit procurement feedback that can be
16 used to improve vendor training.

17
18 19-61-405. Submission of contracts with members of General Assembly
19 required.

20 (a) All contracts with a member of the General Assembly, his or her
21 spouse, or with any business in which a member of the General Assembly or his
22 or her spouse is an officer, a director, or a stockholder owning more than
23 ten percent (10%) of the stock in the business shall be presented to the
24 Legislative Council or to the Joint Budget Committee, if the General Assembly
25 is in session, before the execution date of the contract.

26 (b) The Legislative Council or the Joint Budget Committee shall
27 provide the State Procurement Director and the Director of the Arkansas
28 Ethics Commission with its review as to the propriety of the contract,
29 including without limitation whether the agency properly complied with the
30 procurement process and whether the contract represents an improper conflict
31 of interest between the member of the General Assembly and the agency, within
32 thirty (30) days after receipt of the proposed contract.

33 (c) The contract shall not be submitted to the Legislative Council or
34 to the Joint Budget Committee until the Department of Transformation and
35 Shared Services has reviewed the contract and provided the Legislative
36 Council or the Joint Budget Committee with a recommendation regarding the

1 legality of the contract.

2

3 19-61-406. Vendor performance reporting.

4 (a)(1) A state agency shall report a vendor's performance under a
5 contract executed under this subtitle if the vendor fails to satisfy the
6 performance-based standards stated in the contract in a manner that
7 represents a material deviation.

8 (2) A state agency shall use a form prescribed by the State
9 Procurement Director and approved by the Legislative Council or, if the
10 General Assembly is in session, the Joint Budget Committee, to report a
11 vendor's performance under this section.

12 (b) The report required under this section shall be:

13 (1) Filed with the Office of State Procurement and maintained
14 for a minimum of three (3) years from the termination of the relevant
15 contract, including any extensions and amendments;

16 (2) Signed by the director of the state agency or his or her
17 designee; and

18 (3) Filed monthly until the vendor has performed satisfactorily
19 under the contract for a period of at least ninety (90) consecutive days.

20 (c) A state agency may report a vendor's performance in the manner
21 prescribed under this section for any contract that would not require
22 reporting of a vendor's performance under this section if the state agency
23 encounters an issue with the vendor's performance of a contract.

24 (d) A state agency may use a vendor performance report submitted under
25 this section to evaluate an offeror to the extent that the past performance
26 of an offeror may be considered under the law and the rules adopted by the
27 office.

28

29 19-61-407. Experience requirement – Findings.

30 (a)(1) The General Assembly finds that:

31 (A) An invitation for bids, a request for proposals, and a
32 request for qualifications often require that bidders and offerors have a
33 certain amount of experience to qualify;

34 (B) These experience requirements often apply to the
35 business of the bidder or offeror rather than the key personnel of the bidder
36 or offeror;

1 (C) As a result, new businesses with highly qualified
2 personnel often do not qualify to compete for state contracts even though the
3 executives and employees of the business have the experience required; and

4 (D) It is in the best interests of the state to encourage
5 new businesses and to seek out the most qualified people to provide products
6 and services to the state.

7 (2) The General Assembly intends for this section to:

8 (A) Encourage entrepreneurship;

9 (B) Level the playing field for new businesses to compete
10 for business opportunities; and

11 (C) Enable new businesses with highly qualified personnel
12 to compete for state contracts.

13 (b) If an invitation for bids, a request for proposals, or a request
14 for qualifications under this subtitle requires a certain amount of
15 experience or a certain number of years in existence for the bidder or
16 offeror, the requirement shall be satisfied by either:

17 (1)(A) The amount of experience of the bidder or offeror.

18 (B) A bidder or offeror may use the combined experience of
19 its owners or senior executive staff to satisfy the requirement under
20 subdivision (b)(1)(A) of this section; or

21 (2) The combined amount of experience of the key personnel of
22 the bidder or offeror that will be responsible for satisfying the
23 requirements of the contract to be procured.

24 (c)(1) However, before the issuance of an invitation for bids, a
25 request for proposals, or a request for qualifications, the Office of State
26 Procurement or a procurement agency may determine in writing that the
27 combined experience of the key personnel of a bidder or offeror under
28 subdivision (b)(2) of this section would be insufficient to adequately
29 satisfy the requirements of the invitation for bids, request for proposals,
30 or request for qualifications.

31 (2) A written determination under subdivision (c)(1) of this
32 section shall include the following:

33 (A) A specific description of the products or services
34 that the Office of State Procurement or procurement agency seeks to procure;
35 and

36 (B) A detailed statement of the reasons the combined

1 experience of the key personnel of a bidder or offeror would be insufficient.

2
3 19-61-408. Procurements for services in designated positions and
4 designated financial and information technology positions.

5 A contract for services with a person employed or entity employing
6 persons in a designated position or designated financial or information
7 technology position as defined in § 21-15-101 shall require compliance with
8 the registry records check and criminal history records check laws under §
9 21-15-101 et seq.

10
11 19-61-409. Compliance.

12 (a) A contractor shall ensure, in cooperation with a state agency,
13 that the contract between the contractor and the state agency adheres to the
14 requirements of this subtitle, including without limitation the inclusion of
15 any mandatory language and the submission of the contract for any required
16 review.

17 (b) The signature of a contractor on a contract with a state agency
18 serves as an acknowledgement that the contractor is:

19 (1) Equally responsible with the state agency for adhering to
20 the requirements of this subtitle related to the content and review of the
21 contract; and

22 (2) Subject to the relevant ethical provisions of § 19-64-101 et
23 seq.

24
25 19-61-410. Cancellation of contract on entry of final business closure
26 order – Definition.

27 (a) As used in this chapter, “final business closure order” means a
28 business closure order for which a contractor has either:

29 (1) Waived further administrative review under § 26-18-1001 et
30 seq.; or

31 (2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

32 (b) The Revenue Division of the Department of Finance and
33 Administration shall provide to the Office of State Procurement all final
34 business closure orders entered into against a contractor.

35 (c) Upon receipt of a final business closure order, the office shall,
36 as soon as reasonably practicable:

1 (1) Notify each state agency with which the contractor has a
2 contract that the:

3 (A) Contractor is subject to a final business closure
4 order; and

5 (B) Provision of any goods or services, or both, under a
6 contract with the contractor that is subject to a final business closure
7 order shall cease as soon as reasonably practicable; and

8 (2) Notify all state agencies that the contractor that is
9 subject to a final business closure order shall not be awarded or maintain a
10 contract with a state agency unless the office provides notice under
11 subsection (d) of this section.

12 (d) Upon receipt of information that a contractor has resolved a
13 business closure, the office shall notify all state agencies, as soon as
14 reasonably practicable, that:

15 (1) Any unexpired contracts with the contractor may continue if
16 the contract was not terminated, cancelled, suspended, or discontinued; and

17 (2) The contractor may be awarded or maintain a contract with a
18 state agency.

19

20 Subchapter 5 – Source Selection and Contract Formation

21

22 19-61-501. Definitions concerning source selection and contract
23 formation.

24 As used in this chapter:

25 (1) “Competitive bidding” means a method of procurement that
26 requires obtaining bids by:

27 (A) Direct mail request to prospective bidders and obtaining
28 written bids;

29 (B) Telephone;

30 (C) Telegraph;

31 (D) Written form; or

32 (E) Electronic media;

33 (2) “Competitive sealed bidding” means a method of procurement
34 that requires:

35 (A) Issuance of an invitation for bids with a purchase
36 description and all contractual terms and conditions applicable to the

1 procurement;

2 (B) Public, contemporaneous opening of bids at a
3 predesignated time and place;

4 (C) Unconditional acceptance of a bid without alteration
5 or correction, except as authorized in §§ 19-61-401 – 19-61-403, 19-61-502 –
6 19-61-508, and 19-61-511 – 19-61-513;

7 (D) Award to the responsive and responsible bidder who has
8 submitted the lowest bid that meets the requirements and criteria set forth
9 in the invitation for bids; and

10 (E) Public notice;

11 (3) “Competitive sealed proposals” means a method of procurement
12 that involves without limitation:

13 (A) Solicitation of proposals through a request for
14 proposals;

15 (B) Submission of cost or pricing data from the offeror
16 where required;

17 (C) Discussions with responsible offerors whose proposals
18 have been determined to be reasonably susceptible to being selected for
19 award; and

20 (D) An award made to the responsible offeror whose
21 proposal is determined in writing to be the most advantageous considering
22 price and evaluation factors set forth in the request for proposals;

23 (4) “Emergency procurement” means the acquisition of commodities
24 or services, that if not immediately initiated, will endanger human life or
25 health, state property, or the functional capability of a state agency;

26 (5) “Established catalogue price” means the price included in a
27 catalogue, price list, schedule, or other form that:

28 (A) Is regularly maintained by a manufacturer or
29 contractor;

30 (B) Is either published or otherwise available for
31 inspection by customers; and

32 (C) States prices at which sales are currently or were
33 last made to a significant number of buyers constituting the general buying
34 public for the commodities or services involved;

35 (6) “Invitation for bids” means all documents or electronic
36 media, whether attached or incorporated by reference, utilized for soliciting

1 bids in accordance with the procedures set forth in § 19-61-505, which refers
2 to competitive sealed bidding;

3 (7) "Multiple award contracts" means a method of procurement
4 whereby an indefinite quantity contract is awarded to more than one (1)
5 supplier for furnishing a like item or category of items;

6 (8) "Purchase description" means specifications or any other
7 document or electronic media describing the commodities or services to be
8 procured;

9 (9) "Request for proposals" means all documents or electronic
10 media, whether attached or incorporated by reference, utilized for soliciting
11 proposals in accordance with the procedures set forth in § 19-61-506, which
12 refers to competitive sealed proposals, § 19-61-503, which refers to small
13 procurements, § 19-61-507, which refers to proprietary or sole source
14 procurements, § 19-61-508, which refers to emergency procurements, or § 19-
15 61-504, which refers to competitive bidding;

16 (10)(A) "Request for qualifications" means a solicitation
17 document requiring submittal of qualifications or specialized expertise in
18 response to the scope of work or services required and does not require
19 pricing.

20 (B) Other than as provided in § 19-65-101 et seq., the
21 request for qualifications process may only be used when, under rules
22 promulgated by the State Procurement Director, the director determines in
23 writing that the request for qualifications process is warranted;

24 (11) "Responsible bidder or offeror" means a person who has the
25 capability in all respects to perform fully the contract requirements and the
26 integrity and reliability that will assure good faith performance;

27 (12) "Responsive bidder" means a person who has submitted a bid
28 under § 19-61-505, which refers to competitive sealed bidding, that conforms
29 in all material respects to the invitation for bids, including the
30 specifications set forth in the invitation; and

31 (13)(A)(i) "Small procurements" means a procurement not
32 exceeding a purchase price of twenty thousand dollars (\$20,000).

33 (ii) Small procurements may be procured without
34 seeking competitive bids or competitive sealed bids.

35 (iii) However, competition should be used to the
36 maximum extent practicable.

1 (B) Items under state contract are excluded.

2

3 19-61-502. Methods of source selection.

4 Unless otherwise authorized by law, all contracts shall be awarded by
5 competitive sealed bidding, pursuant to § 19-61-505, which refers to
6 competitive sealed bidding, except as provided in:

7 (1) Section 19-61-506, which refers to competitive sealed
8 proposals;

9 (2) Section 19-61-503, which refers to small procurements;

10 (3) Section 19-61-507, which refers to proprietary or sole
11 source procurements;

12 (4) Section 19-61-508, which refers to emergency procurements;

13 (5) Section 19-61-504, which refers to competitive bidding;

14 (6) Section 19-61-509, which refers to multiple award contracts;

15 or

16 (7) Section 19-61-510, which refers to special procurements.

17

18 19-61-503. Small procurements.

19 (a) Any procurement not exceeding the amount under § 19-61-501(13),
20 which refers to small procurements, may be made in accordance with this
21 section and the small procurement procedures promulgated by the State
22 Procurement Director.

23 (b)(1) However, procurement requirements shall not be artificially
24 divided so as to constitute a small procurement under this section.

25 (2) The prohibition stated in subdivision (b)(1) of this section
26 includes without limitation purchasing commodities or services, or both, from
27 more than one (1) vendor owned by the same person or entity if the aggregate
28 amount of the purchases from the vendors owned by the same person or entity
29 exceeds the amount stated in subsection (a) of this section.

30 (c) A state agency shall not provide information to a vendor regarding
31 the amount the state agency is willing to pay for commodities or services, or
32 both, before receiving a quote from the vendor for the amount the vendor
33 would charge for the commodities or services, or both.

34

35 19-61-504. Competitive bidding.

36 (a) A competitive bid form authorized by the State Procurement

1 Director shall be completed for competitive bidding.

2 (2) If three (3) competitive bids are not obtained on purchases
3 when competitive bids are required, the competitive bid form must show the
4 names of at least three (3) firms contacted in attempting to obtain
5 competition or show the reason three (3) firms were not contacted.

6 (3)(A) Only firms that sell the type of commodity or service to
7 be procured shall be contacted for competitive bidding.

8 (B) The purchase procedures outlined in this section shall
9 not apply to commodities, technical and general services, and professional
10 and consultant services under state contract.

11 (b)(1) Contracts in which the purchase price exceeds twenty thousand
12 dollars (\$20,000) and is less than or equal to seventy-five thousand dollars
13 (\$75,000) may be awarded by use of competitive bidding procedures.

14 (2) However, in instances under subdivision (b)(1) of this
15 section, competitive sealed bidding is permitted.

16 (c)(1)(A) All procurements under this section shall be awarded to the
17 responsive and responsible bidder who has submitted the lowest bid that meets
18 the requirements, criteria, and specifications.

19 (B) Delivery time required shall be reasonable and
20 consonant with current industry norms.

21 (2) Complete justification shall be given if an award is made to
22 a bidder other than the low bidder.

23 (d) Repeated small quantity procurements to circumvent the competitive
24 bid limits or failure to obtain competitive bids without justification shall
25 constitute a violation of competitive bidding procedures and shall result in
26 withdrawal of the state agency's competitive bid privileges.

27

28 19-61-505. Competitive sealed bidding.

29 (a)(1) Contracts exceeding an estimated purchase price of seventy-five
30 thousand dollars (\$75,000) shall be awarded by competitive sealed bidding
31 unless a determination is made in writing by the agency procurement official
32 or the State Procurement Director that this method is not practicable and
33 advantageous and specifically states the reasons that this method is not
34 practicable and advantageous.

35 (2) The director may provide by rule that it is not practicable
36 to procure specified types of commodities, technical and general services, or

1 professional and consultant services by competitive sealed bidding.

2 (3) Factors to be considered in determining whether competitive
3 sealed bidding is not practicable shall include whether:

4 (A) Purchase descriptions are suitable for award on the
5 basis of the lowest evaluated bid price; and

6 (B) The available sources, the time and place of
7 performance, and other relevant circumstances are appropriate for the use of
8 competitive sealed bidding.

9 (b) When it is considered impractical to initially prepare a purchase
10 description to support an award based on price, an invitation for bids may be
11 issued requesting the submission of unpriced technical proposals to be
12 followed by an invitation for bids limited to those bidders whose technical
13 proposals meet the requirements set forth in the first invitation for bids.

14 (c) Notice inviting bids shall:

15 (1) Be given not fewer than five (5) calendar days nor more than
16 ninety (90) calendar days preceding the date for the opening of bids by
17 publishing the notice at least one (1) time in at least one (1) newspaper
18 having general circulation in the state or posting by electronic media, but
19 in all instances, adequate notice shall be given;

20 (2) Include a general description of the commodities, technical
21 and general services, or professional and consultant services to be procured;

22 (3) State where invitations for bids may be obtained;

23 (4) State the date, time, and place of bid opening; and

24 (5) State the time, date, and place of the solicitation
25 conference if a solicitation conference is to be held before the opening of
26 bids to provide information to prospective bidders.

27 (d) Bids shall be opened publicly in the presence of one (1) or more
28 witnesses at the time and place designated in the invitation for bids. Each
29 bid, together with the name of the bidder, shall be recorded and open to
30 public inspection.

31 (e)(1)(A) Bids shall be evaluated based on the requirements set forth
32 in the invitation for bids.

33 (B) Requirements set forth in the invitation for bids may
34 include criteria to determine acceptability such as:

35 (i) Inspection;

36 (ii) Testing;

1 (iii) Quality;
2 (iv) Workmanship;
3 (v) Delivery;
4 (vi) Past performance; and
5 (vii) Suitability for a particular purpose and
6 criteria affecting price such as life-cycle or total ownership costs.

7 (2)(A) The invitation for bids shall set forth the evaluation
8 criteria to be used.

9 (B) Criteria may not be used in bid evaluation that were
10 not set forth in the invitation for bids.

11 (3)(A) A time discount may be considered in the evaluation of a
12 bid only:

13 (i) If the state agency specifically solicits
14 pricing that requests a time discount; and

15 (ii) Under the structured terms of the invitation
16 for bids.

17 (B) If a bidder offers a time discount as part of its bid
18 without the solicitation of time discounts by the state agency, the state
19 agency shall not consider the time discount.

20 (f)(1) Correction of patent or provable errors in bids that do not
21 prejudice other bidders or withdrawal of bids may be allowed only to the
22 extent permitted under rules promulgated by the director and upon written
23 approval of the Attorney General or a designee of the Attorney General.

24 (2) An award shall not be made on the basis of a corrected bid,
25 if the corrected bid exceeds the next lowest bid of a responsible bidder.

26 (3)(A) The director or an agency procurement official may seek
27 the clarification of a submitted bid.

28 (B) A written response by a bidder under this subsection
29 shall only clarify the submitted bid and shall not add any substantive
30 language to the submitted bid or change the terms of the submitted bid.

31 (C) If the bidder fails or refuses to clarify any matter
32 questioned about the bidder's bid in writing by the deadline set by the
33 director or agency procurement official, the bid may be rejected.

34 (D) If the bidder clarifies the matter questioned under
35 this subsection in writing, the clarification shall be evaluated and become a
36 part of any contract awarded on the basis of the bidder's bid.

1 (g)(1) The contract shall be awarded with reasonable promptness by
2 written notice to the lowest responsible bidder whose bid meets the
3 requirements and criteria set forth in the invitation for bids.

4 (2)(A) Except with respect to a contract being procured for a
5 construction project, the director or the head of a procurement agency may
6 negotiate a lower bid price, including changes in the bid requirements, with
7 the lowest responsive and responsible bidder if:

8 (i) All bids received from responsive and
9 responsible bidders exceed available funding as certified by the appropriate
10 fiscal officer of the procurement agency; or

11 (ii) It appears that additional savings to the state
12 may result from negotiation.

13 (B)(i)(a) If negotiations with the lowest responsive and
14 responsible bidder conducted under subdivision (g)(2)(A) of this section fail
15 to result in a lower bid price, the state may negotiate for a lower bid price
16 with the next lowest responsive and responsible bidder.

17 (b) If negotiations with the next lowest
18 responsive and responsible bidder under subdivision (g)(2)(B)(i)(a) of this
19 section fail to result in a lower bid price, the state may negotiate for a
20 lower bid price with the next lowest responsive and responsible bidder until
21 an acceptable lower bid price is negotiated or the state determines that
22 negotiations are no longer in the best interest of the state.

23 (ii) A bid price resulting from negotiations
24 conducted under this section shall not be higher than:

25 (a) The bid price originally submitted by the
26 lowest responsive and responsible bidder; or

27 (b) A price previously offered in negotiations
28 by a responsive and responsible bidder.

29 (iii) Negotiations conducted under this section do
30 not preclude the use of other methods of source selection or procurement
31 authority provided under this chapter.

32 (C)(i) Negotiations under this subsection shall be
33 conducted by a person who is trained and certified in negotiation and
34 procurement processes.

35 (ii)(a) The Office of State Procurement shall
36 provide for the training and certification required under this subsection.

1 (b) The training provided by the office shall
2 be specific to Arkansas law.

3 (3) All other bidders requesting to be notified of the award
4 decision shall be promptly notified of the decision.

5 (h)(1) An invitation for bids may be cancelled or any or all bids may
6 be rejected in writing by the director or the agency procurement official.

7 (2) Before the rejection of a bid by the director, the decision
8 to reject the bid may be validated with the state agency for which the
9 procurement is being conducted.

10 (3) A bid may be rejected for failure to adhere to mandatory
11 requirements.

12
13 19-61-506. Competitive sealed proposals.

14 (a) When the use of competitive sealed bidding is not practicable and
15 advantageous, a contract may be awarded by competitive sealed proposals.

16 (b) Public notice of the request for proposals shall be given in the
17 same manner as provided in § 19-61-505, which refers to public notice of
18 competitive sealed bidding.

19 (c)(1) The request for proposals shall indicate the relative
20 importance of price and other evaluation factors.

21 (2)(A) Except as provided in subdivision (d)(2)(B) of this
22 section, cost shall be weighted at least thirty percent (30%) of the total
23 evaluation score for a proposal submitted in response to the request for
24 proposals.

25 (B)(i) The State Procurement Director may approve that
26 cost be weighted at a lower percentage of the total evaluation score for a
27 proposal submitted in response to a request for proposals if the director
28 makes a written determination that the lower percentage is in the best
29 interest of the state.

30 (ii) A state agency's failure to obtain the approval
31 of the director under this subsection for a request for proposals with cost
32 weighted at a lower percentage than required under subdivision (c)(2)(A) of
33 this section is grounds for submitting a protest under § 19-61-701.

34 (C) The use of a lower percentage under subdivision
35 (c)(2)(B) of this section and the corresponding written determination by the
36 director shall be submitted to the Legislative Council or, if the General

1 Assembly is in session, the Joint Budget Committee, for review before the
2 request for proposals is issued.

3 (3) The state's prior experience with an offeror may be
4 considered and scored as part of the offeror's proposal only:

5 (A) To the extent that the request for proposals requests
6 that all offerors provide references; and

7 (B) If the offeror's past performance with the state
8 occurred no more than three (3) years before the offeror submitted the
9 proposal.

10 (4) A state agency shall not include prior experience with the
11 state as a mandatory requirement for submitting a proposal under this
12 section.

13 (d)(1) As provided in the request for proposals and under rule,
14 discussions may be conducted with responsible offerors who submit proposals
15 determined to be reasonably susceptible of being selected for award for the
16 purpose of:

17 (A) Clarifying solicitation requirements to assure full
18 understanding of and responsiveness to the solicitation requirements; or

19 (B) Negotiating a contract that is more advantageous to
20 the state.

21 (2)(A) If discussions conducted after the deadline for the
22 receipt of proposals necessitate material revisions of proposals, each
23 offeror determined to be responsible and reasonably susceptible of being
24 awarded a contract shall be provided an opportunity to revise the offeror's
25 proposal for the purpose of submitting a best and final offer.

26 (B) An offeror may be permitted to revise the offeror's
27 original proposal as a result of discussions only after the original
28 submission deadline and before award for the purpose of providing a best and
29 final offer.

30 (C)(i) Before issuing the notice of award of a contract,
31 the director or the agency procurement official may request a best and final
32 offer from each responsible offeror that is reasonably susceptible of being
33 awarded the contract.

34 (ii) In responding to a request for a best and final
35 offer, an offeror may:

36 (a) Resubmit the offeror's original proposal

1 with lower pricing or additional benefits, or both, in accordance with the
2 specifications of the request for proposals; or

3 (b) Submit a written response that states that
4 the offeror's original proposal, including without limitation the pricing,
5 remains unchanged.

6 (iii) If a best and final offer is requested, the
7 director or the agency procurement official shall evaluate each proposal
8 submitted in response to the request for a best and final offer in
9 determining the proposal that is the most advantageous to the state.

10 (3) In conducting discussions, information derived from a
11 proposal submitted by a competing offeror shall not be disclosed until after
12 a notice of anticipation to award is announced.

13 (e)(1) The director or an agency procurement official may seek the
14 clarification of a submitted proposal.

15 (2) A written response by an offeror under this subsection shall
16 only clarify the submitted proposal and shall not add any substantive
17 language to the submitted proposal or change the terms of the submitted
18 proposal.

19 (3) If the offeror fails or refuses to clarify any matter
20 questioned about the offeror's proposal in writing by the deadline set by the
21 director or agency procurement official, the proposal may be rejected.

22 (4) If the offeror clarifies the matter questioned under this
23 subsection in writing, the clarification shall be evaluated and become a part
24 of any contract awarded on the basis of the offeror's proposal.

25 (f)(1) Award under this section shall be made to the responsible
26 offeror whose proposal is determined in writing to be the most advantageous
27 to the state, taking into consideration price, the evaluation factors set
28 forth in the request for proposals, any best and final offers submitted, and
29 the results of any discussions conducted with responsible offerors.

30 (2) Factors or criteria that are not specified in subdivision
31 (f)(1) of this section shall not be used in the evaluation of a proposal.

32 (3) If it is determined that two (2) or more responsible
33 offerors have tied scores after the evaluation of the proposals, the award
34 under this section shall be made to the responsible offeror that had one (1)
35 of the tied scores and submitted the lowest price proposal.

36 (4) The director or the agency procurement official may enter

1 into negotiations with the responsible offeror whose proposal is determined
2 in writing to be the most advantageous to the state when the best interests
3 of the state would be served, including without limitation when the state can
4 obtain:

5 (A) A lower price without changes to the terms or
6 specifications of the request for proposals; or

7 (B) An improvement to the terms or specifications, or
8 both, of the request for proposals without increasing the price of the
9 proposal.

10 (g)(1) The Office of State Procurement shall:

11 (A) Encourage full discussion by the evaluators who are
12 evaluating proposals submitted in response to a request for proposals under
13 this section; and

14 (B) Develop tools and templates to be used in evaluating
15 proposals submitted in response to a request for proposals under this section
16 that optimize the number of material scored attributes and provide for a
17 limited range of possible scores for each attribute.

18 (2)(A) A state agency may use one (1) or more private evaluators
19 to evaluate proposals submitted in response to a request for proposals under
20 this section.

21 (B) A private evaluator used under this subsection shall
22 be:

23 (i) Held to the same requirements and prohibitions
24 regarding conflicts of interest as state employees;

25 (ii) A qualified volunteer, unless the state does
26 not have the necessary expertise to evaluate the proposals, in which case a
27 paid private evaluator may be used; and

28 (iii) Eligible for travel reimbursement if the state
29 agency decides to make travel reimbursement available.

30 (C) The use of a private evaluator is not required.

31 (D) If a state agency uses one (1) or more private
32 evaluators, the use of a private evaluator shall be disclosed in the
33 procurement file and in any information submitted to the Legislative Council
34 or, if the General Assembly is in session, the Joint Budget Committee.

35 (h)(1) A competitive sealed proposal may be cancelled or any or all
36 proposals may be rejected in writing by the director or the agency

1 procurement official.

2 (2) Before the rejection of a proposal by the director, the
3 decision to reject the proposal may be validated with the evaluation
4 committee that evaluated the proposal.

5 (3) A proposal may be rejected for failure to adhere to
6 mandatory requirements.

7

8 19-61-507. Proprietary or sole source procurements.

9 (a) Under rules promulgated under this chapter, a contract may be
10 awarded for a required or designated commodity or service to a sole or
11 mandatory supplier when the State Procurement Director, the head of a
12 procurement agency, or a designee of either officer above the level of agency
13 procurement official determines in writing that it is not practicable to use
14 other than the required or designated commodity or service.

15 (b) Unless a written determination is made that there is only one (1)
16 source for the required or designated commodity or service, efforts shall be
17 made to obtain price competition.

18

19 19-61-508. Emergency procurements – Definition.

20 (a) The State Procurement Director, the head of a procurement agency,
21 or a designee of either officer may make or authorize others to make
22 emergency procurements as defined in § 19-61-501(4) and in accordance with
23 rules promulgated by the director.

24 (b)(1) A person or a state agency that makes an emergency procurement
25 under this section shall:

26 (A) Receive at least three (3) competitive bids unless the
27 emergency is a critical emergency; and

28 (B) Complete a quotation abstract that includes the:

29 (i) Names of the firms contacted;

30 (ii) Time that each firm was contacted;

31 (iii) Quoted price obtained from each contacted
32 firm; and

33 (iv) Method used for contacting each firm.

34 (2) As used in this subsection, “critical emergency” means an
35 emergency in which human life or health is imminently endangered.

36

1 19-61-509. Multiple award contracts.

2 (a)(1) Multiple award contracts may be made only if the State
3 Procurement Director or an agency procurement official determines in writing
4 that a single award is not advantageous to the State of Arkansas.

5 (2) The determination under subdivision (a)(1) of this section
6 shall state in writing a rationale and basis for the multiple award contract.

7 (3) Multiple award contracts shall be limited to the least
8 number of suppliers necessary to meet the requirements of the using agencies.

9 (b) If the director or agency procurement official anticipates that
10 multiple award contracts will be made, the invitation for bids shall include
11 a notification of the right of the Office of State Procurement or agency to
12 make such an award and the criteria upon which such an award will be based.
13

14 19-61-510. Special procurements.

15 (a) Notwithstanding any other provision of this chapter, the State
16 Procurement Director or the head of a procurement agency may initiate a
17 procurement above the competitive bid amount specified in § 19-61-504, when
18 the director or the head of a procurement agency determines that an unusual
19 or unique situation exists that makes the application of all requirements of
20 competitive bidding, competitive sealed bidding, or competitive sealed
21 proposals contrary to the public interest.

22 (b) A written determination under this section of the basis for the
23 procurement and for the selection of the particular contractor shall be
24 included by the director or the head of a procurement agency in the contract
25 file, and he or she shall file a monthly report with the Legislative Council
26 describing all written determinations under this section.
27

28 19-61-511. Cost-plus-a-percentage-of-cost and cost-plus-a-fixed-fee
29 contracts.

30 As used in this chapter, the cost-plus-a-percentage-of-cost and cost-
31 plus-a-fixed-fee system may be used under the authority of the State
32 Procurement Director when:

33 (1) There exists no other economically practicable price
34 arrangement to secure the commodity;

35 (2) A cost saving may be proved over the least expensive
36 alternative; or

1 (3) The pricing schedule involved is tied to an industry
2 standard or other reliable system of cost prediction.

3
4 19-61-512. Multiyear contracts.

5 (a) Specified Period. Unless otherwise provided by law, a contract for
6 commodities or services may be entered into for periods of not more than
7 seven (7) years if funds for the first fiscal year of the contemplated
8 contract are available at the time of contracting. Payment and performance
9 obligations for succeeding fiscal years shall be subject to the availability
10 and appropriation of funds therefor.

11 (b) Determination Prior to Use. Prior to the utilization of a multiyear
12 contract, it shall be determined in writing that:

13 (1) Estimated requirements cover the period of the contract and
14 are reasonably firm and continuing;

15 (2) A multiyear contract will serve the best interests of the
16 state by encouraging effective competition or otherwise promoting economies
17 in state procurement; and

18 (3) In the event of termination of the multiyear contract for
19 any reason, the contract provides for cessation of services or surrender by
20 the state of the commodities and repayment to the state of any accrued
21 equity, or both cessation of services and surrender by the state of the
22 commodities and repayment to the state of any accrued equity.

23 (c) Termination Due to Unavailability of Funds in Succeeding Years.

24 (1) Original terms of a multiyear contract shall not exceed four
25 (4) years.

26 (2) When funds are not appropriated or otherwise made available
27 to support continuation of performance in a multiyear contract, the multiyear
28 contract shall be terminated and the contractor may be reimbursed for the
29 reasonable value of any nonrecurring costs incurred but not amortized in the
30 price of the commodities or services delivered under the multiyear contract.

31 (3) The cost of termination under subdivision (c)(2) of this
32 section may be paid from:

33 (A) Appropriations currently available for performance of
34 the multiyear contract;

35 (B) Appropriations currently available for procurement of
36 similar commodities or services and not otherwise obligated; or

1 (C) Appropriations made specifically for the payment of
2 such termination costs.

3
4 19-61-513. Finality of determinations.

5 The following determinations are final and conclusive, unless they are
6 clearly erroneous, arbitrary, capricious, or contrary to law:

7 (1) The determinations required by § 19-61-505(g), which refers
8 to competitive sealed bidding, award;

9 (2) The determinations required by § 19-61-506(a), which refers
10 to competitive sealed proposals, conditions for use;

11 (3) The determinations required by § 19-61-506(f), which refers
12 to competitive sealed proposals, award;

13 (4) The determinations required by § 19-61-507, which refers to
14 proprietary or sole source procurements;

15 (5) The determinations required by § 19-61-508, which refers to
16 emergency procurements;

17 (6) The determinations required by § 19-61-504, which refers to
18 competitive bidding;

19 (7) The determinations required by § 19-61-401, which refers to
20 responsibility of bidders and offerors, determination of responsibility;

21 (8) The determinations required by § 19-61-512(b), which refers
22 to multiyear contracts, determination prior to use; and

23 (9) The determinations required by § 19-61-510, which refers to
24 special procurements.

25
26 19-61-514. Specifications – Definition.

27 (a) Definition.

28 (1) “Specification” means any technical or purchase description
29 or other description of the physical or functional characteristics, or of the
30 nature, of a commodity or service.

31 (2) “Specification” may include a description of any requirement
32 for inspecting, testing, or preparing a commodity or service for delivery.

33 (b) The State Procurement Director shall promulgate rules governing
34 the preparation, maintenance, and content of standard and nonstandard
35 specifications for commodities, technical and general services, and
36 professional and consultant services procured by the Office of State

1 Procurement.

2 (c) Maximum Practicable Competition. All specifications under this
3 section shall be drafted so as to assure the maximum practicable competition
4 for the state's actual requirements.

5

6 19-61-515. Preferences among bidders – Conflicts with federal law –
7 Definitions.

8 (a) Definitions.

9 (1) The definitions in this subsection do not apply to other
10 sections of this chapter.

11 (2) As used in this section:

12 (A) "Commodities" means materials and equipment used in
13 the construction of public works projects;

14 (B) "Firm resident in Arkansas" means any individual,
15 partnership, association, or corporation, whether domestic or foreign, that:

16 (i) Maintains at least one (1) staffed office in
17 this state;

18 (ii) For not fewer than two (2) successive years
19 immediately before submitting a bid, has paid taxes under the Division of
20 Workforce Services Law, § 11-10-101 et seq., unless exempt, and either the
21 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas
22 Compensating Tax Act of 1949, § 26-53-101 et seq., on property used or
23 intended to be used for or in connection with the firm's business; and

24 (iii) Within the two-year period, has paid taxes to
25 one (1) or more counties, school districts, or municipalities of the State of
26 Arkansas on either real or personal property used or intended to be used or
27 in connection with the firm's business;

28 (C) "Lowest qualified bid" means the lowest bid that
29 conforms to the specifications and request for bids;

30 (D) "Nonresident firm" means a firm that is not included
31 in the definition of a "firm resident in Arkansas"; and

32 (E) "Public agency" means all counties, municipalities,
33 and political subdivisions of the state.

34 (b)(1)(A) In the purchase of commodities by competitive bidding, a
35 public agency shall accept the lowest qualified bid from a firm resident in
36 Arkansas.

1 (B) This bid shall be accepted only if the bid does not
2 exceed the lowest qualified bid from a nonresident firm by more than five
3 percent (5%) and if one (1) or more firms resident in Arkansas made written
4 claim for a preference at the time the bids were submitted.

5 (C)(i) In calculating the preference to be allowed, the
6 appropriate procurement officials, pursuant to this section and §§ 19-61-101
7 – 19-61-111, 19-61-117, 19-61-201 – 19-61-209, 19-61-301 – 19-61-303, 19-61-
8 401 – 19-61-403, 19-61-501 – 19-61-508, 19-61-511 – 19-61-514, 19-61-601 –
9 19-61-603, 19-61-701 – 19-61-705, and 19-61-801 – 19-61-811, shall take the
10 amount of each bid of the Arkansas dealers who claimed the preference and
11 deduct five percent (5%) from its total.

12 (ii) If after making the deduction under subdivision
13 (b)(1)(C)(i) of this section, the bid of an Arkansas bidder claiming the
14 preference is lower than the bid of the nonresident firm, then the award
15 shall be made to the Arkansas firm that submitted the lowest bid, whether or
16 not that particular Arkansas firm claimed the preference.

17 (2)(A) The preference provided for in this section applies only
18 in comparing bids when one (1) or more bids are by a firm resident in
19 Arkansas and the other bid or bids are by a nonresident firm.

20 (B) The preference provided for under this section does
21 not apply to competing bids if both bidders are firms resident in Arkansas,
22 as defined in this section.

23 (C)(i) All public agencies shall be responsible for
24 carrying out the spirit and intent of this section in their procurement
25 policies.

26 (ii) A public agency that, through an employee or
27 designated agent, is found guilty of violating this section or committing an
28 unlawful act under this section, is guilty of an unclassified misdemeanor.

29 (D) Notwithstanding any other provisions of Arkansas law,
30 upon conviction that person is subject to imprisonment for not more than six
31 (6) months or a fine of not more than one thousand dollars (\$1,000), or both.

32 (E)(i) If a provision or condition of this chapter
33 conflicts with a provision of federal law or a rule or regulation made under
34 federal law pertaining to federal grants-in-aid programs or other federal aid
35 programs, the provision or condition does not apply to the federal-supported
36 contracts for the purchase of commodities to the extent that the conflict

1 exists.

2 (ii) However, all provisions or conditions of this
3 chapter with which there is no conflict apply to contracts to purchase
4 commodities to be paid, in whole or in part, from federal funds.

5 (c)(1)(A) This section applies only to projects designed to provide
6 utility needs of a county or municipality.

7 (B) Projects under subdivision (c)(1)(A) of this section
8 include without limitation pipeline installation, sanitary projects, and
9 waterline, sewage, and water works.

10 (2) To the extent that federal purchasing laws or bidding
11 preferences conflict, this chapter does not apply to projects related to
12 supplying water or wastewater utility services, operations, or maintenance to
13 a federal military installation by a municipality of the state.

14

15 19-61-516. High efficiency lighting – Preference – Definitions.

16 (a)(1) The General Assembly finds:

17 (A) The expansion of state government makes it one of the
18 state's leading purchasers of lighting commodities;

19 (B) Recent technological developments have produced
20 energy-efficient devices that reduce energy costs through a reduction in
21 energy usage; and

22 (C) Prudent use of taxpayer dollars dictates that the
23 State of Arkansas should be at the forefront of implementing energy-efficient
24 devices in facilities operated with public funds.

25 (2) The intent of this section is to promote the use of high
26 efficiency lighting in facilities operated with public funds when feasible.

27 (b) As used in this section:

28 (1)(A) "Fluorescent lamp" means a gas-discharge lamp that:

29 (i) Utilizes a magnetic, electronic, or other
30 ballast; and

31 (ii) Uses electricity to excite mercury vapor in
32 argon or neon gas resulting in a plasma that produces short-wave ultraviolet
33 light that causes a phosphor to fluoresce and produce visible light.

34 (B) "Fluorescent lamp" includes without limitation a
35 compact fluorescent lamp;

36 (2) "High efficiency lighting" means fluorescent lamp or solid

1 state lighting;

2 (3) "Solid state lighting" means a light device that utilizes
3 light-emitting diodes, organic light-emitting diodes, or polymer light-
4 emitting diodes as sources of illumination rather than electrical filaments
5 or gas; and

6 (4)(A) "State agency" means an agency, institution, authority,
7 department, board, commission, bureau, council, or other agency of the state
8 supported by appropriation of state or federal funds.

9 (B) "State agency" includes the constitutional departments
10 of the state, the elected constitutional offices of the state, the General
11 Assembly, including the Legislative Council and the Legislative Joint
12 Auditing Committee and supporting agencies and bureaus of the General
13 Assembly, the Supreme Court, the Court of Appeals, circuit courts,
14 prosecuting attorneys, and the Administrative Office of the Courts.

15 (c) When a state agency purchases or requires a bid for the purchase
16 of an indoor lamp, a preference for high efficiency lighting shall be
17 exercised if the use of high efficiency lighting is technically feasible and
18 the price is competitive with consideration given to the long-term cost
19 effectiveness and savings of high efficiency lighting.

20 (d)(1) The goal of state agencies for the percentage of purchased
21 indoor lamps that are high efficiency lighting shall be one hundred percent
22 (100%).

23 (2) The Office of State Procurement shall prepare an annual
24 report to the Legislative Council of the state's progress in meeting the
25 goals for the purchase of high efficiency lighting.

26

27 19-61-517. Development and use of performance-based contracts –
28 Findings.

29 (a) The General Assembly finds that:

30 (1) Performance-based contracts provide an effective and
31 efficient method of monitoring and evaluating the overall quality of services
32 provided; and

33 (2) The practice of including benchmark objectives that the
34 provider must attain at specific intervals during the term of the contract is
35 an essential requirement for measuring performance.

36 (b)(1) A state agency, board, commission, or institution of higher

1 education that enters into a contract under this subtitle to procure services
2 that has a contract amount of at least one million dollars (\$1,000,000) in a
3 single contract year or a total projected contract amount, including any
4 amendments to or possible extensions of the contract, of at least seven
5 million dollars (\$7,000,000) shall use performance-based standards in the
6 contract that are specifically tailored to the services being provided under
7 the contract.

8 (2) The performance-based standards used under this subsection
9 shall include performance measures based on objective factors.

10 (3) A state agency, board, commission, or institution of higher
11 education is encouraged to use performance-based standards that are based on
12 objective factors in any other contract in which it would serve the best
13 interest of the state.

14 (c) A state agency, board, commission, or institution of higher
15 education that enters into a contract with performance-based standards:

16 (1)(A) Shall monitor the vendor's performance and adherence to
17 the performance-based standards in the contract.

18 (B) For state contracts, the Office of State Procurement
19 is the state agency that monitors each vendor's performance under this
20 subdivision (c)(1); and

21 (2) May impose financial consequences, as identified in the
22 contract, on a vendor that is party to a contract with performance-based
23 standards for failure to satisfy the performance-based standards, including
24 without limitation withholding payment or pursuing liquidated damages to the
25 extent allowed by law.

26 (d)(1) The State Procurement Director shall promulgate rules necessary
27 to implement and administer this section.

28 (2) Rules promulgated under this subsection are subject to
29 approval by the Legislative Council or, if the General Assembly is in
30 session, the Joint Budget Committee.

31
32 Subchapter 6 – Commodity Management

33
34 19-61-601. Definitions concerning commodity management.

35 As used in this chapter:

36 (1) "Commodities" means commodities owned by the state and

1 includes commodities as defined in § 19-61-103;

2 (2) "Excess commodities" means any commodity, other than
3 expendable commodities, having a remaining useful life but which the using
4 agency in possession of the commodity has determined is no longer required by
5 the using agency;

6 (3) "Expendable commodities" means all tangible commodities
7 other than nonexpendable commodities;

8 (4) "Nonexpendable commodities" means all tangible commodities
9 having an original acquisition cost of more than two thousand five hundred
10 dollars (\$2,500) per unit and a useful life of more than one (1) year; and

11 (5)(A) "Surplus commodities" means any commodities, other than
12 expendable commodities, no longer having any use to the state.

13 (B) "Surplus commodities" includes obsolete commodities,
14 scrap materials, and nonexpendable commodities that have completed their
15 useful life cycle.

16

17 19-61-602. Commodity management rules.

18 The State Procurement Director shall promulgate rules governing:

19 (1)(A) The sale, lease, or disposal of surplus commodities by
20 public auction, competitive sealed bidding, or other appropriate method
21 designated by rule.

22 (B) An employee of the Department of Transformation and
23 Shared Services or member of the employee's immediate family shall not be
24 entitled to purchase surplus commodities;

25 (2) The transfer of excess commodities within the state; and

26 (3) The sale, lease, or disposal of surplus commodities to not-
27 for-profit organizations under § 22-1-101.

28

29 19-61-603. Proceeds from surplus commodities.

30 The State Procurement Director shall promulgate rules for the
31 allocation of proceeds from the sale, lease, or disposal of surplus
32 commodities, to the extent practicable, to the using agency that had
33 possession of the surplus commodities.

34

35 Subchapter 7 – Conflict Resolution – Debarment

36

1 19-61-701. Resolution of protested solicitations and awards.

2 (a)(1) An actual or prospective bidder, offeror, or contractor who is
3 aggrieved in connection with the solicitation of a contract may protest by
4 presenting a written notice at least seventy-two (72) hours before the filing
5 deadline for the solicitation response to the State Procurement Director or
6 the head of a procurement agency.

7 (2)(A) An actual bidder, offeror, or contractor who is aggrieved
8 in connection with the award of a contract may protest to the:

9 (i) Director; or

10 (ii) Head of a procurement agency.

11 (B) A person submitting a protest under subdivision
12 (a)(2)(A) of this section shall give notice of the protest to the person
13 named in the anticipation to award a contract by sending the person a copy of
14 the protest by electronic mail and regular mail.

15 (3) The protest shall be submitted in writing within fourteen
16 (14) calendar days after the calendar day on which the contract is awarded or
17 the notice of anticipation to award the contract is posted, whichever occurs
18 first.

19 (4) A protest submitted by an aggrieved person under this
20 section shall:

21 (A) Be limited to one (1) or more of the following
22 grounds:

23 (i) The award of the contract exceeded the authority
24 of the director or the procurement agency;

25 (ii) The procurement process violated a
26 constitutional, statutory, or regulatory provision;

27 (iii) The director or the procurement agency failed
28 to adhere to the rules of the procurement as stated in the solicitation, and
29 the failure to adhere to the rules of the procurement materially affected the
30 contract award;

31 (iv) The procurement process involved responses that
32 were collusive, submitted in bad faith, or not arrived at independently
33 through open competition; or

34 (v) The award of the contract resulted from a
35 technical or mathematical error made during the evaluation process; and

36 (B) State facts that substantiate each ground on which the

1 protest is based.

2 (5)(A) A person named in an anticipation to award a contract
3 that is protested under this section may file a written response to the
4 protest.

5 (B) A response to a protest submitted under subdivision
6 (a)(5)(A) of this section shall be submitted in writing within five (5) days
7 of the date the person is given notice of the protest under subdivision
8 (a)(2)(B) of this section.

9 (b)(1)(A) The director, the head of a procurement agency, or a
10 designee of either officer may settle and resolve a protest concerning the
11 solicitation or award of a contract before rendering an administrative
12 protest determination.

13 (B)(i) A meeting in an attempt to settle or resolve a
14 protest is not a public meeting under the Freedom of Information Act of 1967,
15 § 25-19-101 et seq.

16 (ii) However, a final settlement or resolution of a
17 protest made under this section shall not be kept secret, sealed, or withheld
18 from public disclosure.

19 (2) The authority to settle or resolve a protest under this
20 section shall be exercised in accordance with laws governing the Arkansas
21 State Claims Commission, which has exclusive jurisdiction over all claims
22 against the state in connection with the solicitation or award of a contract,
23 and the rules promulgated by the State Procurement Director.

24 (c)(1) If a protest is not settled or resolved by mutual agreement
25 under subsection (b) of this section, the director, the head of a procurement
26 agency, or a designee of either officer shall promptly issue an
27 administrative protest determination in writing.

28 (2) The administrative protest determination shall state the
29 reasons for the action taken.

30 (d) Within five (5) days after it is written, a copy of the decision
31 under subsection (c) of this section shall be mailed or otherwise furnished
32 to the protestor and any other party intervening.

33 (e) An administrative protest determination under subsection (c) of
34 this section is:

35 (1) Final and conclusive; and

36 (2) Not an order as defined in the Arkansas Administrative

1 Procedure Act, § 25-15-201 et seq.

2 (f) In the event of a timely protest under subsection (a) of this
3 section, the state shall not execute a contract that is the result of the
4 protested solicitation or award unless the director or the head of the
5 relevant procurement agency makes a written determination that the execution
6 of the contract without delay is necessary to protect substantial interests
7 of the state.

8 (g) When the protest is sustained and the successfully protesting
9 bidder or offeror was denied the contract award, the protesting bidder or
10 offeror may be entitled to the reasonable costs incurred in connection with
11 the solicitation, including bid preparation costs, through the commission.

12 (h) An actual or prospective bidder, offeror, or contractor who is
13 aggrieved by a protest submitted under this section that was without merit or
14 intended purely to delay the award of a contract may bring a private cause of
15 action for tortious interference with a business expectancy against the
16 person or entity that submitted the protest.

17

18 19-61-702. Debarment or suspension.

19 (a) Applicability. This section applies to debarment for cause from
20 consideration for award of contracts, or a suspension from such consideration
21 during an investigation, when there is probable cause for such a debarment.

22 (b)(1)(A)(i) After reasonable notice to the person involved and
23 reasonable opportunity for that person to have a hearing before a committee
24 according to rules promulgated by the State Procurement Director, the
25 director or the head of a procurement agency may debar a person for cause
26 from consideration for award of contracts, provided that doing so is in the
27 best interests of the state.

28 (ii) The debarment shall not be for a period of more
29 than three (3) years.

30 (B)(i) The same officer may suspend a person from
31 consideration for award of contracts, provided that doing so is in the best
32 interests of the state and there is probable cause for debarment.

33 (ii) The suspension shall not be for a period
34 exceeding three (3) months.

35 (2) The authority to debar or suspend shall be exercised in
36 accordance with rules promulgated by the State Procurement Director.

1 (c) The causes for debarment or suspension because of unsuitability
2 for award of a contract shall be set forth in rules promulgated by the
3 director.

4 (d) The director or the head of a procurement agency shall issue a
5 written decision to debar or suspend. The decision shall state the reasons
6 for the action taken.

7 (e) Notice of Decision. A copy of the decision under subsection (d) of
8 this section shall be mailed or otherwise furnished within five (5) days
9 after it is written to the debarred or suspended person and any other party
10 intervening.

11 (f) Finality of Decision. A decision under subsection (d) of this
12 section shall be final and conclusive.

13
14 19-61-703. Resolution of contract and breach of contract
15 controversies.

16 (a) Applicability. This section applies to controversies between the
17 state and a contractor that arise under or by virtue of a contract between
18 the state and a contractor, including without limitation controversies based
19 upon breach of contract, mistake, misrepresentation, or other cause for
20 contract modifications or rescission.

21 (b)(1) The State Procurement Director, the head of a procurement
22 agency, or a designee of either officer may settle and resolve a controversy
23 described in subsection (a) of this section before commencement of an action
24 in a court or any other action provided by law concerning the controversy.

25 (2) The authority under subdivision (b)(1) of this section shall
26 be exercised in accordance with the law governing the Arkansas State Claims
27 Commission and the rules promulgated by the State Procurement Director.

28 (c)(1) If a claim or controversy as described in this section is not
29 resolved by mutual agreement, and after reasonable notice to the contractor
30 and reasonable opportunity for the contractor to present the claim or
31 controversy in accordance with the rules promulgated by the director, then
32 the head of a procurement agency, the director, or the designee of either
33 officer shall promptly issue a decision in writing.

34 (2) The decision shall state the reasons for the action taken.

35 (d) A copy of the decision under subsection (c) of this section shall
36 be mailed or otherwise furnished immediately to the contractor.

1 (e) A decision under subsection (c) of this section is final and
2 conclusive.

3 (f) If the director, the head of a procurement agency, or the designee
4 of either officer does not issue the written decision required under
5 subsection (c) of this section within one hundred twenty (120) days after
6 written request for a final decision, or within such longer period as may be
7 agreed upon by the parties, then the contractor may proceed as if an adverse
8 decision has been received.

9

10 19-61-704. Remedies for unlawful solicitation or award.

11 (a) This section applies when it is determined upon any review
12 provided by law that a solicitation or award of a contract is in violation of
13 law.

14 (b) If before an award it is determined that a solicitation or
15 proposed award of a contract is in violation of law, then the solicitation or
16 proposed award shall be:

17 (1) Cancelled; or

18 (2) Revised to comply with the law.

19 (c) If after an award it is determined that a solicitation or award of
20 a contract is in violation of law, then in addition to or in lieu of other
21 remedies provided by law:

22 (1) If the person awarded the contract has not acted
23 fraudulently or in bad faith:

24 (A) The contract may be ratified and affirmed if it is
25 determined that doing so is in the best interests of the state; or

26 (B) The contract may be terminated;

27 (2) If the person awarded the contract has acted fraudulently or
28 in bad faith:

29 (A) The contract may be declared null and void; or

30 (B) The person awarded the contract may be directed to
31 proceed with performance of the contract and pay such damages, if any, as may
32 be appropriate if such action shall be in the best interests of the state.

33 (d) Before a contract is ratified and affirmed under subdivision

34 (c)(1)(A) of this section, a contract shall be presented to the Legislative
35 Council or, if the General Assembly is in session, to the Joint Budget
36 Committee, for review if the contract is required to be submitted for review

1 under § 19-61-116.

2

3 19-61-705. Finality of administrative determinations.

4 In a judicial action or other action provided by law, factual or legal
5 determinations by employees, agents, or other persons appointed by the state
6 have no finality and are not conclusive, notwithstanding any contract
7 provision or rule of law to the contrary, except to the extent provided in:

8 (1) Section 19-61-513, which refers to finality of
9 determinations;

10 (2) Section 19-61-701(e), which refers to resolution of
11 protested solicitations and awards, finality of decision;

12 (3) Section 19-61-702(f), which refers to debarment or
13 suspension, finality of decision; and

14 (4) Section 19-61-703(e), which refers to resolution of contract
15 and breach of contract controversies, finality of decision.

16

17 Subchapter 8 – Intergovernmental Relations

18

19 19-61-801. Definitions concerning intergovernmental relations.

20 As used in this subchapter:

21 (1) “Consumer Price Index” means the most recent Consumer Price
22 Index for All Urban Consumers published by the United States Department of
23 Labor, or its successor;

24 (2) “Cooperative purchasing agreement” means an agreement
25 entered into as the result of a procurement conducted by, or on behalf of,
26 more than one (1) public procurement unit or by a public procurement unit
27 with an external procurement activity;

28 (3)(A) “External procurement activity” means any buying
29 organization not located in this state that, if located in this state, would
30 qualify as a public procurement unit.

31 (B) An agency of the United States Government is an
32 external procurement activity;

33 (4) “Local public procurement unit” means:

34 (A) A county, city, town, state agency, and any other
35 subdivision of the state or public agency of the state;

36 (B) A fire protection district;

1 (C) A regional water distribution district;
2 (D) A rural development authority;
3 (E) A public authority;
4 (F) A public educational, health, or other institution;
5 (G) A nonprofit corporation during the time that it
6 contracts with the Department of Human Services to provide services to
7 individuals with developmental disabilities or for transportation services,
8 so long as the contract exceeds seventy-five thousand dollars (\$75,000) per
9 year;

10 (H) A nonprofit corporation providing fire protection
11 services to a rural area or providing drinking water to the public in a rural
12 area; and

13 (I) To the extent not prohibited by law, any other entity
14 that expends public funds for the acquisition or leasing of commodities and
15 services;

16 (5) "Public procurement unit" means either a local public
17 procurement unit or a state public procurement unit;

18 (6)(A) "Public school construction services" means services
19 procured by a public school district or open-enrollment public charter school
20 under a contract with a corresponding cooperative purchasing verification
21 letter providing for the making of repairs, alterations, erection, or other
22 permanent improvements to a public building, property, or structure that do
23 not exceed a total aggregate amount of one million dollars (\$1,000,000) for a
24 public procurement unit in a fiscal year.

25 (B)(i) Annually on July 1, at the direction of the Office
26 of State Procurement and with the approval of the Legislative Council or, if
27 the General Assembly is in session, the Joint Budget Committee, the amount
28 stated in subdivision (6)(A) of this section shall be adjusted by the
29 percentage, if any, by which the Consumer Price Index for the current
30 calendar year exceeds the Consumer Price Index for the preceding calendar
31 year, not to exceed three percent (3%).

32 (ii) The Consumer Price Index for a calendar year is
33 the average of the Consumer Price Index as of the close of the twelve-month
34 period ending on August 31 of that calendar year; and

35 (7) "State public procurement unit" means the Office of State
36 Procurement and any other procurement agency of this state.

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19-61-802. Cooperative purchasing.

(a)(1) A public procurement unit may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the acquisition of public school construction services, commodities, or other services in accordance with an agreement entered into between the participants.

(2)(A) A cooperative purchasing agreement is limited to public school construction services, commodities, and other services for which the public procurement unit may realize savings or material economic value, or both.

(B)(i) For cooperative purchasing agreements entered into by a state agency, the State Procurement Director shall consider the economic justification for using a cooperative purchasing agreement when granting or withholding approval for the cooperative purchasing agreement.

(ii) The director shall adopt rules to create a review policy outlining how the economic justification required under this section may be demonstrated, including without limitation a comparison of:

(a) Current state contract pricing and the pricing under a cooperative purchasing agreement; or

(b) Information obtained from a request for information and pricing under a cooperative purchasing agreement.

(C) The director and the Secretary of the Department of Transformation and Shared Services shall submit any request for the Office of State Procurement to participate in a cooperative purchasing agreement to the Governor for approval.

(b)(1)(A) The director shall present an annual report of all purchases made under cooperative purchasing agreements by a state agency without an agency procurement official under this section to the Legislative Council or, if the General Assembly is in session, to the Joint Budget Committee.

(B) A state agency that has an agency procurement official shall present an annual report of all purchases made under cooperative purchasing agreements under this section to the Legislative Council or, if the General Assembly is in session, to the Joint Budget Committee.

(2) The reports required under this subsection shall be submitted by July 1 in the format required by the Legislative Council and shall include the following:

- 1 (A) The name of the contractor;
2 (B) The name of the procuring agency;
3 (C) The contact information for the contractor and
4 procuring agency;
5 (D) The total cost of the contract, including all
6 available extensions;
7 (E) A description of the public school construction
8 services, goods, or other services procured; and
9 (F) Any other information requested by the Legislative
10 Council or the Joint Budget Committee.

11 (c) A contractor shall cooperate with the director in providing
12 information necessary for the director to complete the report required under
13 subsection (b) of this section.

14 (d) If a public procurement unit needs to procure public school
15 construction services in excess of the amount provided in § 19-61-801(6), the
16 public procurement unit may submit a request for a waiver to the Executive
17 Subcommittee of the Legislative Council.

18

19 19-61-803. Sale, etc., of commodities.

20 A public procurement unit by agreement with another public procurement
21 unit may sell to, acquire from, or use any commodities belonging to or
22 produced by another public procurement unit or external procurement activity
23 independent of the requirements of:

24 (1) Sections 19-61-401 – 19-61-403, 19-61-501 – 19-61-508, and
25 19-61-510 – 19-61-513, which refer to source selection and contract
26 formation; and

27 (2) Sections 19-61-601 – 19-61-603, which refer to commodity
28 management.

29

30 19-61-804. Intergovernmental use of commodities or services.

31 A public procurement unit may enter into an agreement with any other
32 public procurement unit or external procurement activity for the
33 intergovernmental use of commodities, technical and general services, or
34 professional and consultant services under the terms agreed upon between the
35 parties and in accordance with the rules promulgated under this chapter,
36 independent of the requirements of:

1 (1) Sections 19-61-401 – 19-61-403, 19-61-501 – 19-61-508, and
2 19-61-510 – 19-61-513 that refer to source selection and contract formation;
3 and

4 (2) Sections 19-61-601 – 19-61-603 that refer to commodity
5 management.

6
7 19-61-805. Rules.

8 The State Procurement Director may promulgate reasonable rules
9 pertaining to the sale or acquisition of any commodities, technical and
10 general services, or professional and consultant services belonging to or
11 produced by another public procurement unit or external procurement activity
12 as authorized in this section and §§ 19-61-802 – 19-61-804 and 19-61-806 –
13 19-61-811.

14
15 19-61-806. Joint use of facilities.

16 A public procurement unit may enter into agreements for the common use
17 or lease of warehousing facilities, capital equipment, and other facilities
18 with another public procurement unit or an external procurement activity
19 under the terms agreed upon between the parties.

20
21 19-61-807. State information services.

22 (a) Upon request, the State Procurement Director may make available to
23 public procurement units the following services, among others:

- 24 (1) Standard forms;
25 (2) Printed manuals;
26 (3) Product specifications and standards;
27 (4) Quality assurance testing services and methods;
28 (5) Qualified products lists;
29 (6) Source information;
30 (7) Common use commodities listings;
31 (8) Supplier prequalification information;
32 (9) Supplier performance ratings;
33 (10) Debarred and suspended bidders lists;
34 (11) Forms for invitations for bids, requests for proposals,
35 instructions to bidders, general contract provisions, and other contract
36 forms; and

1 (12) Contracts, or published summaries of contracts, including
2 price and time of delivery information.

3 (b) The director may enter into contractual arrangements and publish a
4 schedule of fees for the services provided under this section.

5
6 19-61-808. Use of payments received.

7 All payments from a public procurement unit or external procurement
8 activity received by a public procurement unit supplying services shall be
9 available to the supplying public procurement unit.

10
11 19-61-809. Compliance by public procurement units.

12 (a) Procurement in Accordance with Requirements. When the public
13 procurement unit or external procurement activity administering a cooperative
14 purchase complies with the requirements of this chapter, a public procurement
15 unit participating in the cooperative purchase shall be deemed to have
16 complied with this chapter.

17 (b) When a public procurement unit or external procurement activity
18 not subject to this chapter administers a cooperative purchase for a public
19 procurement unit subject to this chapter, then the State Procurement Director
20 shall determine in writing that the procurement system and remedies
21 procedures of the public procurement unit or external procurement activity
22 administering the procurement substantially meet the requirements of this
23 chapter.

24
25 19-61-810. Review of procurement requirements.

26 (a)(1) To the extent possible and consistent with efficiency, the
27 State Procurement Director shall collect information concerning the type,
28 cost, quality, and quantity of commonly used commodities or services being
29 procured or used by state public procurement units.

30 (2) The director may also collect such information from local
31 public procurement units.

32 (b) The director may make available all such information to any public
33 procurement unit upon request.

34
35 19-61-811. Contract controversies.

36 Under a cooperative purchasing agreement, controversies arising between

1 an administering public procurement unit and its bidders, offerors, or
2 contractors shall be resolved in accordance with §§ 19-61-701 – 19-61-705,
3 which refer to legal and contractual remedies, when the administering public
4 procurement unit is a state public procurement unit or otherwise subject to
5 §§ 19-61-701 – 19-61-705.

6
7 19-61-812. Cooperative purchase of paper products for local
8 governments.

9 (a)(1) All cities, counties, and school districts shall participate in
10 a cooperative purchasing program for the purchase of paper products.

11 (2) The program shall be administered by the State Procurement
12 Director.

13 (b)(1) The director shall promulgate rules for administration of the
14 program.

15 (2) The rules shall be reviewed by the House Committee on Public
16 Health, Welfare, and Labor and the Senate Committee on Public Health,
17 Welfare, and Labor or appropriate subcommittees of the committees.

18
19 19-61-813. Review of information technology plans.

20 The Office of State Procurement shall ensure that all required
21 information has been submitted to the Office of Intergovernmental Services
22 for review of proper planning and technical requirements before the execution
23 of:

24 (1) A contract issued under this chapter that procures
25 information technology products or services with a total projected contract
26 amount, including any amendments to or possible extensions of the contract,
27 of at least one hundred thousand dollars (\$100,000); or

28 (2) A purchase of information technology products or services
29 made under a cooperative purchase agreement under § 19-61-802.

30
31 CHAPTER 62

32 BIDDING – STATE INDUSTRY PRIORITY

33
34 Subchapter 1. General Provisions

35 Subchapter 2. Bidding Priority

36

1 Subchapter 1 – General Provisions

2
3 19-62-101. Purpose.

4 The purpose of this chapter is to protect Arkansas private industries
5 which employ Arkansas taxpayers and citizens from the unfair advantage held
6 by certain out-of-state correctional institutions that utilize convict labor
7 and are exempt from minimum wage requirements, Occupational Safety and Health
8 Act of 1970 requirements, and other such standards which are imposed on
9 private industries and which increase the costs of products manufactured by
10 private industries. This advantage which is enjoyed by many out-of-state
11 correctional institutions allows the out-of-state correctional institutions
12 to often receive contracts under the Arkansas Procurement Law, § 19-61-101 et
13 seq., bidding process when Arkansas private industries also submit bids, thus
14 hindering a healthy competitive environment for the private industries of
15 this state.

16
17 19-62-102. Definitions.

18 As used in this chapter, unless the context otherwise requires:

19 (1) “Bid” means a proposal submitted to the state for the sale
20 of products to the state;

21 (2) “Correctional institution” means a penitentiary, jail,
22 prison, reformatory, or other such establishment owned, operated, or funded
23 by a state or local government in which incarcerated criminals are kept;

24 (3) “Private industry” means a manufacturer, maker of products,
25 company, corporation, or firm that is not a department, division, or arm of
26 the federal, state, or local governments;

27 (4) “Private industry located within the State of Arkansas”
28 means private industry that is located in Arkansas, employing Arkansas
29 citizens and taxpayers as laborers in the process of manufacturing goods and
30 products within this state; and

31 (5) “State” means the government of the State of Arkansas and
32 all departments, branches, agencies, and subdivisions of the state.

33
34 19-62-103. Provisions controlling.

35 Where provisions of this chapter are inconsistent with provisions of
36 the current Arkansas Procurement Law, § 19-61-101 et seq., the provisions in

1 this chapter shall control.

2

3

Subchapter 2 – Bidding Priority

4

5 19-62-201. Priority for state industries.

6 In the bidding process for the sale of products for use by the state, a
7 bid submitted by a private industry located within the State of Arkansas and
8 employing Arkansas taxpayers shall be given priority over a bid submitted by
9 an out-of-state correctional institution employing convict labor.

10

11 19-62-202. Award to lowest state bidder – Exceptions.

12 Subject to any applicable bonding requirements, in all bidding
13 procedures involving a bid by one (1) or more out-of-state correctional
14 institutions and a bid by one (1) or more private industries located within
15 the State of Arkansas, the contract shall be awarded to the sole Arkansas
16 bidder or lowest Arkansas bidder if the Arkansas bidder is not underbid by
17 more than five percent (5%), as provided in § 19-61-515, by another
18 representative of private industry located outside the State of Arkansas or
19 by more than fifteen percent (15%) by an out-of-state correctional
20 institution.

21

22 19-62-203. Underbid by nonresident industry or correctional
23 institution.

24 Subject to any applicable bonding requirements, if a private Arkansas
25 bidder is underbid by more than five percent (5%), as provided in § 19-61-
26 515, by another representative of private industry located outside the State
27 of Arkansas or is underbid by more than fifteen percent (15%) by an out-of-
28 state correctional institution, the state contract shall be awarded to the
29 lowest responsible bidder, whether that bidder is a correctional institution
30 or is a representative of private industry.

31

32

CHAPTER 63

33

FEDERAL GOVERNMENT SURPLUS PROPERTY

34

35 19-63-101. Authority to transfer to state and local agencies.

36 (a) The Division of Emergency Management may cooperate with the United

1 States Government in the transfer of government surplus property to all
2 departments and agencies of state and local government and to all other
3 agencies eligible to receive surplus property under Pub. L. No. 81-152 and
4 Pub. L. No. 81-754, and all other statutory laws that may be enacted by the
5 United States Congress covering the disposal of United State Government
6 surplus property.

7 (b) The division may take all action necessary to the proper
8 administration of the federal Surplus Property Program in the acquisition of
9 and the distribution of government surplus properties to eligible claimants
10 in this state, distribution to be in accordance with the appropriate
11 controlling federal statutes.

12 (c) The division may add to the cost of the properties an amount
13 necessary to defray the expenses of service under this section.

14

15 19-63-102. Purchase for schools and school districts.

16 (a) The Division of Emergency Management may purchase surplus
17 commodities, materials, supplies, equipment, and other property from the
18 United States Government through any of its agencies for tax-supported
19 schools and for school districts in Arkansas. The division may cooperate with
20 the State Procurement Director in the purchase of school items.

21 (b) Schools and school districts desiring to obtain federal surplus
22 materials, equipment, and similar property, shall apply to the division on
23 blanks furnished by the division for that purpose.

24 (c) Schools and school districts applying to the division to purchase
25 surplus materials, equipment, and other property from the United States
26 Government shall pay cash for it by drawing a voucher or warrant in favor of
27 the United States Government for the purchase price of the surplus materials,
28 equipment, and other property.

29

30 19-63-103. Service charge.

31 (a) The Division of Emergency Management may add to the cost of
32 surplus properties secured by the State Agency for Surplus Property an amount
33 necessary to defray the expense of this service and to repay into the
34 Revolving Loan Fund loans made to the agency as provided in this section.

35 (b) The division may establish service charges in such amounts as may
36 be necessary to cover the expenses of the department in administering special

1 federal service programs for schools and agencies. These charges are to be
2 paid by the school, institution, or agency in the amount designated by the
3 division.

4 (c) The division shall take such action as is necessary to collect
5 such charges and may, in its discretion, withhold from any state moneys over
6 which the division has control funds necessary to pay the amounts owing by
7 such school districts and agencies.

8 (d) It is the intention of the General Assembly that the schools and
9 agencies shall pay for such services amounts sufficient to reimburse the
10 division for expenses incurred in the operation of the federal Surplus
11 Property Program and in the operation of special federal service programs.

12

13 19-63-104. Rural water associations.

14 Rural water associations are eligible to participate in the federal
15 Surplus Property Program operated under Pub. L. No. 81-152 and Pub. L. No.
16 81-754 as now administered by the Division of Emergency Management.

17

18 19-63-105. Authority to transfer excess military property to state and
19 local agencies – Service charge.

20 The Law Enforcement Support Office may:

21 (1) Cooperate with the United States Government under 10 U.S.C.
22 § 2576a in the transfer of excess military property to state and local law
23 enforcement agencies:

24 (A) Whose primary function is the enforcement of
25 applicable federal, state, and local laws; and

26 (B) Whose compensated law enforcement officers have powers
27 of arrest and apprehension, including without limitation counter-drug and
28 counter-terrorism activities;

29 (2) Take any action necessary to the proper administration of
30 the acquisition and the distribution of excess military properties to
31 eligible claimants in this state, with distribution to be in accordance with
32 the appropriate controlling federal statutes;

33 (3) Establish service charges in an amount necessary to cover
34 the expenses of the Department of Public Safety incurred in administering
35 this section; and

36 (4) Take action as necessary to collect service charges and,

1 from any state moneys over which the department has control, withhold funds
2 necessary to pay an amount owing by a state or local law enforcement agency.

3
4 CHAPTER 64

5 ETHICS

6
7 Subchapter 1. General Provisions

8 Subchapter 2. Standards of Ethical Conduct

9 Subchapter 3. Remedies for Breach of Ethical Standards

10 Subchapter 4. Duties of Secretary of Department of Transformation and Shared
11 Services

12 Subchapter 5. Miscellaneous Provisions

13
14 Subchapter 1 – General Provisions

15
16 19-64-101. Definitions.

17 As used in this chapter:

18 (1) “Blind trust” means an independently managed trust in which
19 the employee-beneficiary does not have management rights and in which the
20 employee-beneficiary is not given notice of alterations in or other
21 dispositions of the property subject to the trust;

22 (2) “Business” means a corporation, partnership, individual,
23 sole proprietorship, joint-stock company, joint venture, or any other legal
24 entity;

25 (3) “Commodities” means all property, including without
26 limitation:

27 (A) Equipment;

28 (B) Printing;

29 (C) Stationery;

30 (D) Supplies;

31 (E) Insurance; and

32 (F) Real property;

33 (4) “Confidential information” means information that is
34 available to an employee only because of the employee’s status as an employee
35 of this state and is not a matter of public knowledge or available to the
36 public on request;

1 (5) "Conspicuously" means written in such special or distinctive
2 format, print, or manner that a reasonable person against whom it is to
3 operate ought to have noticed it;

4 (6)(A) "Contract" means any type of state agreement, regardless
5 of what the state agreement is called, for the purchase or disposal of
6 commodities and services.

7 (B) "Contract" includes:

8 (i) An award and a notice of award;

9 (ii) A contract of a fixed-price, cost, cost-plus-a-
10 fixed-fee, or incentive type;

11 (iii) A contract providing for the issuance of job
12 or task orders;

13 (iv) A lease;

14 (v) A letter contract;

15 (vi) A purchase order; and

16 (vii) A supplemental agreement with respect to any
17 of the items under subdivisions (6)(B)(i)-(vi) of this section;

18 (7) "Contractor" means a person having a contract with a state
19 agency;

20 (8) "Employee" means an individual drawing a salary from a state
21 agency, whether elected or not, and a nonsalaried individual performing
22 personal services for a state agency;

23 (9) "Financial interest" means:

24 (A) Ownership of any interest or involvement in a
25 relationship from which, or as a result of which, a person within the past
26 year has received, or is presently or in the future entitled to receive, more
27 than one thousand dollars (\$1,000) per year, or its equivalent;

28 (B) Ownership of more than a five percent (5%) interest in
29 any business; or

30 (C) Holding a position in a business such as an officer,
31 director, trustee, partner, employee, or the like, or holding a position of
32 management;

33 (10) "Gratuity" means a payment, loan, subscription, advance,
34 deposit of money, services, or anything of more than nominal value, present
35 or promised, unless consideration of substantially equal or greater value is
36 received;

1 (11) "Immediate family" means a spouse, child, parent, brother,
2 sister, and grandparent;

3 (12) "Official responsibility" means direct administrative or
4 operating authority, whether intermediate or final, either exercisable alone
5 or with others, either personally or through subordinates, to approve,
6 disapprove, or otherwise direct state action;

7 (13) "Person" means a business, individual, union, committee,
8 club, or other organization or group of individuals;

9 (14)(A) "Procurement" means the buying, purchasing, renting,
10 leasing, or otherwise obtaining of any commodities or services.

11 (B) "Procurement" includes all functions that pertain to
12 the obtaining of a public procurement, including description of requirements,
13 selection and solicitation of sources, preparation and award of contract, and
14 all phases of contract administration;

15 (15) "Services" means technical, professional, or other services
16 involving the furnishing of labor, time, or effort by a contractor; and

17 (16) "State agency" means an office, department, commission,
18 council, board, bureau, committee, institution, legislative body, agency,
19 government corporation, or other establishment or official of the executive,
20 judicial, or legislative branch of this state.

21
22 19-64-102. Penalties.

23 An employee or nonemployee who knowingly violates this chapter is
24 guilty of an unclassified felony and upon conviction shall be fined in any
25 sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not
26 less than one (1) nor more than five (5) years, or shall be punished by both.

27
28 19-64-103. Statement of policy.

29 (a) Public employment is a public trust. It is the policy of the state
30 to promote and balance the objective of protecting government integrity and
31 the objective of facilitating the recruitment and retention of personnel
32 needed by the state. The policy is implemented by prescribing essential
33 restrictions against conflict of interest without creating unnecessary
34 obstacles to entering public service.

35 (b) Public employees must discharge their duties impartially so as to
36 assure fair competitive access to governmental procurement by responsible

1 contractors. Moreover, they should conduct themselves in such a manner as to
2 foster public confidence in the integrity of the state procurement
3 organization.

4 (c) To achieve the purpose of this chapter, it is essential that those
5 doing business with the state also observe the ethical standards prescribed
6 in this chapter.

7
8 Subchapter 2 – Standards of Ethical Conduct

9
10 19-64-201. General standards of ethical conduct.

11 (a) General Ethical Standards for Employees.

12 (1) Any attempt to realize personal gain through public
13 employment by conduct inconsistent with the proper discharge of the
14 employee's duties is a breach of a public trust.

15 (2) In order to fulfill this general prescribed standard, an
16 employee shall also meet the specific standards set forth in § 19-64-202,
17 which refers to employee conflict of interest; § 19-64-203, which refers to
18 employee disclosure requirements; § 19-64-204, which refers to gratuities and
19 kickbacks; § 19-64-205, which refers to prohibition against contingent fees;
20 § 19-64-206, which refers to restrictions on employment of present and former
21 employees; and § 19-64-207, which refers to use of confidential information.

22 (b) General Ethical Standards for Nonemployees. Any effort to influence
23 a public employee to breach the standards of ethical conduct set forth in
24 this chapter is also a breach of ethical standards.

25
26 19-64-202. Employee conflict of interest.

27 (a) Conflict of Interest.

28 (1) It is a breach of ethical standards for an employee to
29 participate directly or indirectly in a proceeding or application, in a
30 request for ruling or other determination, in a claim or controversy, or in
31 any other particular matter pertaining to a contract or subcontract, and any
32 solicitation or proposal therefor, in which to the employee's knowledge:

33 (A) The employee or a member of the employee's immediate
34 family has a financial interest;

35 (B) A business or organization has a financial interest,
36 in which business or organization the employee, or a member of the employee's

1 immediate family, has a financial interest; or

2 (C) Any other person, business, or organization with whom
3 the employee or a member of the employee's immediate family is negotiating or
4 has an arrangement concerning prospective employment is a party.

5 (2) As used in this subsection, "participate directly or
6 indirectly" includes without limitation involvement through decision,
7 approval, disapproval, recommendation, preparation of any part of a
8 procurement request, influencing the content of any specification or
9 procurement standard, rendering of advice, investigation, auditing, or in any
10 other advisory capacity.

11 (b) Financial Interest in a Blind Trust. When an employee or a member
12 of the employee's immediate family holds a financial interest in a blind
13 trust, the employee shall not be deemed to have a conflict of interest with
14 regard to matters pertaining to that financial interest if disclosure of the
15 existence of the blind trust has been made to the Secretary of the Department
16 of Transformation and Shared Services.

17 (c) Discovery of Conflict of Interest, Disqualification, and Waiver.
18 Upon discovery of a possible conflict of interest, an employee shall promptly
19 file a written statement of disqualification with the secretary and withdraw
20 from further participation in the transaction involved and, at the same time,
21 may apply to the secretary in accordance with § 19-64-402 for an advisory
22 opinion as to what further application, if any, the employee may have in the
23 transaction, or for a waiver in accordance with § 19-64-403.

24
25 19-64-203. Employee disclosure requirements.

26 (a) Disclosure of Benefit Received from Contract. An employee who has
27 or obtains a benefit from a state contract with a business in which the
28 employee has a financial interest shall report the benefit to the Secretary
29 of the Department of Transformation and Shared Services. However, this
30 section does not apply to a contract with a business when the employee's
31 interest in the business has been placed in a disclosed blind trust.

32 (b) Failure to Disclose Benefit Received. An employee who knows or
33 should have known of a benefit described in subsection (a) of this section
34 and fails to report the benefit to the secretary is in breach of the ethical
35 standards of this section.

36

1 19-64-204. Gratuities and kickbacks.

2 (a) Gratuities. It is a breach of ethical standards for a person to
3 offer, give, or agree to give an employee or former employee, or for an
4 employee or former employee to solicit, demand, accept, or agree to accept
5 from another person, a gratuity or an offer of employment in connection with
6 a decision, approval, disapproval, recommendation, preparation of any part of
7 a purchase request, influencing the content of a specification or procurement
8 standard, rendering of advice, investigation, auditing, or in any other
9 advisory capacity in a proceeding or application, request for ruling,
10 determination, claim, or controversy, or other particular matter, pertaining
11 to a contract or subcontract and any solicitation or proposal therefor.

12 (b) Kickbacks. It is a breach of ethical standards for a payment,
13 gratuity, or offer of employment to be made by or on behalf of a
14 subcontractor under a contract to the prime contractor or higher tier
15 subcontractor, or a person associated therewith, as an inducement for the
16 award of a subcontract or order.

17
18 19-64-205. Prohibition against contingent fees.

19 (a) Contingent Fees. It is a breach of ethical standards for a person
20 to be retained, or to retain a person, to solicit or secure a state contract
21 upon an agreement or understanding for a commission, percentage, brokerage,
22 or contingent fee, except for retention of bona fide employees or bona fide
23 established commercial selling agencies maintained by the contractor for the
24 purpose of securing business.

25 (b)(1) Representation of Contractor. Before being awarded a state
26 contract other than by procedures set forth in the Arkansas Procurement Law,
27 § 19-61-101 et seq., and rules promulgated under the Arkansas Procurement
28 Law, § 19-61-101 et seq., for small purchases, every person shall represent,
29 in writing, that the person has not retained anyone in violation of
30 subsection (a) of this section.

31 (2) Failure to comply with this subsection is a breach of
32 ethical standards.

33 (c) Notice. The representation prescribed in subsection (b) of this
34 section shall be conspicuously set forth in all contracts and solicitations
35 for contracts.

36

1 19-64-206. Restrictions on employment of present and former employees
2 - Definition.

3 (a) Contemporaneous Employment Prohibited. It is a breach of ethical
4 standards for an employee who is involved in procurement to become or be,
5 while such an employee, the employee of a party contracting with the state
6 agency by which the employee is employed.

7 (b) Restrictions on Former Employees in Matters Connected with Their
8 Former Duties.

9 (1) Permanent Disqualification of Former Employee Personally
10 Involved in a Particular Matter. It is a breach of ethical standards for a
11 former employee knowingly to act as a principal or as an agent for anyone
12 other than the state in connection with any:

13 (A) Judicial or other proceeding, application, request for
14 a ruling, or other determination;

15 (B) Contract;

16 (C) Claim; or

17 (D) Charge or controversy,

18 in which the employee participated personally and substantially through
19 decision, approval, disapproval, recommendation, rendering of advice,
20 investigation, or otherwise while an employee, when the state is a party or
21 has a direct and substantial interest.

22 (2) One-Year Representation Restriction Regarding Matters for
23 Which a Former Employee Was Officially Responsible. It is a breach of
24 ethical standards for any former employee, within one (1) year after
25 cessation of the former employee's official responsibility in connection with
26 any:

27 (A) Judicial or other proceeding, application, request for
28 a ruling, or other determination;

29 (B) Contract;

30 (C) Claim; or

31 (D) Charge or controversy,

32 knowingly to act as a principal or as an agent for anyone other than the
33 state in matters that were within the former employee's official
34 responsibility, when the state is a party or has a direct or substantial
35 interest.

36 (c) Disqualification of Partners.

1 (1) When Partner Is a State Employee.

2 It is a breach of ethical standards for a person who is a partner
3 of an employee knowingly to act as a principal or as an agent for anyone
4 other than the state in connection with any:

5 (A) Judicial or other proceeding, application, request for
6 a ruling, or other determination;

7 (B) Contract;

8 (C) Claim; or

9 (D) Charge or controversy,

10 in which the employee either participates personally and substantially
11 through decision, approval, disapproval, recommendation, the rendering of
12 advice, investigation, or otherwise, or which is the subject of the
13 employee's official responsibility, when the state is a party or has a direct
14 and substantial interest.

15 (2) When a Partner Is a Former State Employee. It is a breach
16 of ethical standards for a partner of a former employee knowingly to act as a
17 principal or as an agent for anyone other than the state when the former
18 employee is barred under subsection (b) of this section.

19 (d) Selling to State After Termination of Employment Is Prohibited.

20 (1) It is a breach of ethical standards for a former employee,
21 unless the former employee's last annual salary based on the state fiscal
22 year did not exceed fifteen thousand dollars (\$15,000), to engage in selling
23 or attempting to sell commodities or services, including technical or
24 professional consultant services, to the state for one (1) year following the
25 date employment ceased.

26 (2) As used in this subsection, "selling or attempting to sell"
27 means:

28 (A) Signing a bid, proposal, or contract;

29 (B) Negotiating a contract;

30 (C) Contacting an employee for the purpose of obtaining,
31 negotiating, or discussing changes in specifications, price, cost allowances,
32 or other terms of a contract;

33 (D) Settling disputes concerning performance of a
34 contract; or

35 (E) Any other liaison activity with a view toward the
36 ultimate consummation of a sale although the actual contract for the sale is

1 subsequently negotiated by another person.

2 (e)(1) This section does not preclude a former employee from accepting
3 employment with private industry solely because his or her employer is a
4 contractor with this state.

5 (2) This section does not preclude an employee, a former
6 employee, or a partner of an employee or former employee from filing an
7 action as a taxpayer for alleged violations of this subchapter.

8

9 19-64-207. Use of confidential information.

10 It is a breach of ethical standards for an employee or former employee
11 knowingly to use confidential information for actual or anticipated personal
12 gain or for the actual or anticipated personal gain of any other person.

13

14 19-64-208. Public access to procurement information.

15 Procurement information is a public record to the extent provided in
16 the Freedom of Information Act of 1967, § 25-19-101 et seq., except as
17 otherwise provided in this chapter and the Arkansas Procurement Law, § 19-61-
18 101 et seq.

19

20 Subchapter 3 – Remedies for Breach of Ethical Standards

21

22 19-64-301. Civil and administrative remedies against employees who
23 breach ethical standards.

24 (a) Existing Remedies Not Impaired. Civil and administrative remedies
25 against employees that are in existence on July 1, 1979, shall not be
26 impaired.

27 (b) Supplemental Remedies. In addition to existing remedies for breach
28 of the ethical standards of this chapter, or rules promulgated under this
29 chapter, the Secretary of the Department of Transformation and Shared
30 Services may impose any one (1) or more of the following upon an employee:

31 (1) Oral or written warnings or reprimands;

32 (2) Forfeiture of pay without suspension;

33 (3) Suspension with or without pay for specified periods of
34 time; and

35 (4) Termination of employment.

36 (c) Right to Recover from Employee Value Received in Breach of Ethical

1 Standards. The value of anything received by an employee in breach of the
2 ethical standards of this chapter, or rules promulgated under this chapter,
3 is recoverable by the state as provided in § 19-64-303, which refers to
4 recovery of value transferred or received in breach of ethical standards.

5 (d) Due Process. Notice and an opportunity for a hearing shall be
6 provided before imposition of any of the remedies set forth in subsection (b)
7 of this section.

8
9 19-64-302. Civil and administrative remedies against nonemployees who
10 breach ethical standards.

11 (a) Existing Remedies Not Impaired. Civil and administrative remedies
12 against nonemployees that are in existence on July 1, 1979, shall not be
13 impaired.

14 (b) Supplemental Remedies. In addition to the existing remedies for
15 breach of the ethical standards of this chapter, or rules promulgated under
16 this chapter, the Secretary of the Department of Transformation and Shared
17 Services may impose any one (1) or more of the following upon a nonemployee:

18 (1) Oral or written warnings or reprimands;

19 (2) Termination of transactions; and

20 (3) Suspension or debarment from being a contractor or
21 subcontractor under state contracts.

22 (c) Right to Recover from Nonemployee Value Transferred in Breach of
23 Ethical Standards. The value of anything transferred in breach of the ethical
24 standards of this chapter, or rules promulgated under this chapter, by a
25 nonemployee is recoverable by the state from the nonemployee as provided in §
26 19-64-303, which refers to recovery of value transferred or received in
27 breach of ethical standards.

28 (d) Due Process. Notice and an opportunity for a hearing shall be
29 provided before imposition of any of the remedies set forth in subsection (b)
30 of this section.

31
32 19-64-303. Recovery of value transferred or received in breach of
33 ethical standards.

34 (a) General Provisions. The value of anything transferred or received
35 in breach of the ethical standards of this chapter, or rules promulgated
36 under this chapter, by an employee or a nonemployee may be recovered from

1 both the employee and the nonemployee.

2 (b) Recovery of Kickbacks by the State.

3 (1)(A) Upon a showing that a subcontractor made a kickback to a
4 prime contractor or a higher tier subcontractor in connection with the award
5 of a subcontract or order under a subcontract, it shall be conclusively
6 presumed that the amount of the kickback was included in the price of the
7 subcontract or order and ultimately borne by the state and is recoverable
8 under this chapter from the recipient.

9 (B) In addition, the amount of the kickback under
10 subdivision (b)(1)(A) of this section may also be recovered from the
11 subcontractor making the kickback.

12 (2) Recovery from one (1) offending party under this section
13 does not preclude recovery from other offending parties.

14

15 Subchapter 4 – Duties of Secretary of the Department of Transformation and
16 Shared Services

17

18 19-64-401. Rules.

19 The Secretary of the Department of Transformation and Shared Services
20 shall promulgate rules to implement this chapter and shall do so in
21 accordance with this chapter and the applicable provisions of the Arkansas
22 Administrative Procedure Act, § 25-15-201 et seq.

23

24 19-64-402. Advisory opinions.

25 (a)(1) On written request of an employee or contractor and in
26 consultation with the Attorney General, the Secretary of the Department of
27 Transformation and Shared Services may render a written advisory opinion
28 regarding the appropriateness of the course of conduct to be followed in a
29 proposed transaction.

30 (2) A request and a written advisory opinion under subdivision
31 (a)(1) of this section may be published in the manner in which rules of this
32 state are published.

33 (b) Compliance with the requirements of a written advisory opinion of
34 the secretary rendered under this section constitutes compliance with the
35 ethical standards of this chapter.

36

1 19-64-403. Waiver.

2 (a) On written request of an employee, the Secretary of the Department
3 of Transformation and Shared Services may grant the employee a written waiver
4 from the application of § 19-64-202, which refers to employee conflict of
5 interest, and grant permission to proceed with the transaction to such extent
6 and upon such terms and conditions as may be specified.

7 (b) Waiver and permission under this section may be granted when the
8 interests of the state require the waiver or permission or when the ethical
9 conflict is insubstantial or remote.

10
11 Subchapter 5 – Miscellaneous Provisions

12
13 19-64-501. Participation in business incubators – Rules and
14 guidelines.

15 (a) This chapter does not apply to faculty or staff of state-supported
16 institutions of higher education participating in business incubators within
17 this state.

18 (b)(1) The Secretary of the Department of Transformation and Shared
19 Services shall promulgate rules pursuant to the procedure for adoption as
20 provided under the Arkansas Administrative Procedure Act, § 25-15-201 et
21 seq., and under § 10-3-309 to implement a program allowing admittance to
22 business incubators by faculty or staff of state-supported institutions of
23 higher education or admittance by companies in which faculty or staff of
24 state-supported institutions of higher education may hold an ownership
25 interest.

26 (2) The program under this section may include guidelines
27 setting forth full disclosure requirements, any limitations on ownership
28 interests, maximum income amounts to be received, annual reporting to the
29 General Assembly, mandatory levels of student participation and such other
30 reasonable restrictions and requirements as are necessary to maintain the
31 public trust while encouraging the facilitation of commercialization of
32 university-generated technology or discovery.

33
34 19-64-502. Contracts or proposals between state-supported institution
35 of higher education and its employees or former employees.

36 (a)(1) Notwithstanding anything in this chapter to the contrary, if,

1 in either of the events in subdivisions (a)(1)(A) and (B) of this section,
2 the contract or subcontract, solicitation, or proposal involves patents,
3 copyrights, or other proprietary information in which a state-supported
4 institution of higher education and an employee or former employee of the
5 state-supported institution of higher education have rights or interests,
6 provided that a contract or subcontract shall be approved by the governing
7 board of the state-supported institution of higher education in a public
8 meeting, it shall not be a violation of § 19-64-206, a conflict of interest,
9 or a breach of ethical standards for:

10 (A) The state-supported institution of higher education to
11 contract with a person or firm in which an employee or former employee of the
12 state-supported institution of higher education has a financial interest; or

13 (B) The employee or former employee of the state-supported
14 institution of higher education to participate directly or indirectly in a
15 matter pertaining to a contract, subcontract, solicitation, or proposal for a
16 contract or subcontract between a state-supported institution of higher
17 education and a person or firm in which the employee or former employee has a
18 financial interest.

19 (2)(A) Within thirty (30) days of the approval by the governing
20 board of a state-supported institution of higher education of a contract,
21 subcontract, solicitation, or proposal executed under subdivision (a)(1) of
22 this section, the state-supported institution of higher education shall file
23 a summary of the contract, subcontract, solicitation, or proposal with the
24 president of the state-supported institution of higher education.

25 (B) Failure to file the required summary with the
26 president of the state-supported institution of higher education as required
27 under subdivision (a)(2)(A) of this section renders the contract null and
28 void.

29 (b)(1) The Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-
30 101 et seq. do not prevent a state agency from contracting for goods or
31 services, including professional or consultant services, with an organization
32 that employs or contracts with a regular, full-time, or part-time employee of
33 a state-supported institution of higher education in situations in which the
34 employee of the state-supported institution of higher education will provide
35 some or all of the goods or services under the contract.

36 (2) An organization or state agency entering into a contract

1 described under this subsection shall comply with the Arkansas Procurement
2 Law, § 19-61-101 et seq., and § 19-67-101 et seq. to the extent that the
3 Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-101 et seq. do not
4 conflict with this section.

5 (3) An employee of a state-supported institution of higher
6 education who provides goods or services to a state agency through his or her
7 association with an organization that has a contract with the state agency to
8 provide goods or services shall obtain the requisite approvals under the
9 policies of the state-supported institution of higher education by which he
10 or she is employed and comply with all provisions of this chapter.

11 (c)(1) No later than January 31 each year, an employee or former
12 employee contracting or receiving benefits under this section shall file with
13 the Secretary of State on a form provided by the Secretary of State a
14 disclosure of the type and amount of the contract or benefits received during
15 the previous year.

16 (2) Failure to file the required form with the Secretary of
17 State as required under subdivision (c)(1) of this section is a breach of
18 ethical standards.

19

20 19-64-503. Special state employees – Conflicts of interest –
21 Definitions.

22 (a) As used in this section:

23 (1)(A) “Conflict of interest” means a special state employee’s
24 direct or indirect pecuniary or other interest in a matter before a covered
25 board.

26 (B) “Conflict of interest” includes without limitation the
27 following:

28 (i) An offer of employment from an entity that is
29 involved in a procurement matter with the covered board or is involved in a
30 discussion of a procurement matter with the covered board;

31 (ii) Being an officer or employee of a business,
32 association, or nonprofit organization that is involved in a procurement
33 matter with the covered board or is involved in a discussion of a procurement
34 matter with the covered board; and

35 (iii) Receiving compensation from an entity that is
36 involved in a procurement matter or is involved in a discussion of a

1 procurement matter with the covered board;

2 (2)(A) "Covered board" means:

3 (i) A commission, board, bureau, office, or other
4 state instrumentality created within the executive branch; and

5 (ii) An entity that is created by rule, statute,
6 legislative direction, executive order, or other informal means if the entity
7 has decision-making authority over procurement criteria, contracts,
8 appointment of individuals to negotiate procurement directly or indirectly,
9 or the approval of procurements.

10 (B) "Covered board" does not include the following:

11 (i) The constitutional departments of the state;

12 (ii) The elected constitutional offices of the
13 state;

14 (iii) The General Assembly, including the
15 Legislative Council, the Legislative Joint Auditing Committee, and supporting
16 agencies and bureaus of the General Assembly;

17 (iv) The Supreme Court;

18 (v) The Court of Appeals;

19 (vi) The circuit courts;

20 (vii) Prosecuting attorneys;

21 (viii) The Administrative Office of the Courts;

22 (ix) An institution of higher education;

23 (x) A municipal government;

24 (xi) A county government;

25 (xii) An interstate agency; or

26 (xiii) A legislative task force or committee if the
27 legislative task force or committee only advises the General Assembly; and

28 (3)(A) "Special state employee" means a person appointed to a
29 covered board, whether or not the person:

30 (i) Receives compensation for his or her services;

31 (ii) Receives reimbursement for travel expenses;

32 (iii) Receives per diem; or

33 (iv) Was appointed formally or informally.

34 (B) "Special state employee" does not include a
35 constitutional officeholder or an ex officio or nonvoting member of an entity
36 described in subdivision (a)(2)(A) of this section.

1 (b) A special state employee shall disclose a conflict of interest in
2 a procurement matter before the covered board:

3 (1) Either:

4 (A) In writing to the head of the covered board; or

5 (B) Orally or in writing at a public meeting of the
6 covered board if the disclosure is included in the minutes of the public
7 meeting; and

8 (2) By filing a conflict of interest disclosure report with the
9 Secretary of State within five (5) business days of the date the special
10 state employee becomes aware of the conflict of interest.

11 (c) A special state employee shall not vote on, receive or read
12 confidential materials related to, participate in discussion of, or attempt
13 to influence the covered board's decision on a procurement matter if the
14 special state employee has a conflict of interest in the procurement matter.

15 (d) A special state employee who is a lobbyist registered under § 21-
16 8-601 shall recuse himself or herself from a procurement matter before the
17 covered board if:

18 (1) The special state employee receives compensation as a
19 lobbyist from an entity involved in the procurement matter; or

20 (2) The procurement matter involves a person or entity that is a
21 competitor of a lobbying client of the special state employee.

22 (e) A special state employee or former special state employee shall
23 not:

24 (1) Represent an entity other than the state in a matter in
25 which he or she participated in making a decision, rendering approval or
26 disapproval, making a recommendation, or rendering advice on behalf of the
27 covered board; or

28 (2) Assist or represent a party for contingent compensation in a
29 matter involving a covered board other than in a judicial, administrative, or
30 quasi-judicial proceeding.

31 (f) A former special state employee shall not lobby a member or the
32 staff of a covered board of which he or she is a former member for one (1)
33 year after the cessation of the special state employee's membership on the
34 covered board.

35 (g) A contract entered into by a covered board, including a renewal,
36 extension, or amendment of a contract entered into by a covered board, shall

1 include a statement that a special state employee has not been influenced by
2 the vendor in the course of the procurement.

3 (h)(1) A complaint about a violation of this section may be filed with
4 the Arkansas Ethics Commission.

5 (2) A violation of this section is grounds for discipline or
6 removal of the special state employee by the commission.

7 (i) The commission shall promulgate rules regarding disciplinary and
8 removal proceedings for special state employees.

9

10

CHAPTER 65

11

PROCUREMENT OF PROFESSIONAL SERVICES

12

13 Subchapter 1. General Provisions

14 Subchapter 2. Certain Professional Services Procured by the State and

15 Political Subdivisions

16

17 Subchapter 1 – General Provisions

18

19 19-65-101. Policy.

20 (a) It is the policy of the State of Arkansas that state agencies
21 shall follow the procedures stated in this section, except that competitive
22 bidding shall not be used for the procurement of legal, architectural,
23 engineering, construction management, and land surveying professional
24 consultant services if:

25 (1) State agencies not exempt from review and approval of the
26 Building Authority Division shall follow procedures established by the
27 division for the procurement of architectural, engineering, land surveying,
28 and construction management services; and

29 (2) Institutions of higher education exempt from review and
30 approval of the division shall follow procedures established by their
31 governing boards for the procurement of architectural, engineering, land
32 surveying, and construction management professional consultant services.

33 (b) It is the policy of the State of Arkansas and its political
34 subdivisions that political subdivisions shall follow the procedures stated
35 in this section, except that competitive bidding shall not be used for the
36 procurement of legal, financial advisory, architectural, engineering,

1 construction management, and land surveying professional consultant services.

2 (c) For purposes of this chapter, a political subdivision of the state
3 may elect not to use competitive bidding for other professional services not
4 listed in subsection (b) of this section with a two-thirds ($\frac{2}{3}$) vote of the
5 political subdivision's governing body.

6
7 19-65-102. Definitions.

8 As used in this chapter:

9 (1)(A) "Construction management" means a project delivery method
10 based on an agreement in which a state agency, political subdivision, public
11 school district, or institution of higher education acquires from a
12 construction entity a series of services that include without limitation
13 design review, scheduling, cost control, value engineering, constructability
14 evaluation, preparation and coordination of bid packages, and construction
15 administration.

16 (B) "Construction management" includes without limitation:

17 (i)(a) "Agency construction management", in which a
18 political subdivision selects a construction manager to serve as an agent for
19 the purpose of providing administration and management services.

20 (b) The construction manager shall not hold
21 subcontracts for the project or provide project bonding for the project;

22 (ii) "At-risk construction management", in which the
23 construction entity, after providing agency services during the
24 preconstruction period, serves as the general contractor and the following
25 conditions are met:

26 (a) The construction manager provides a
27 maximum guaranteed price;

28 (b) The political subdivision holds all trade
29 contracts and purchase orders; and

30 (c) The portion of the project not covered by
31 the trade contracts is bonded and guaranteed by the construction manager; and

32 (iii)(a) "General contractor construction
33 management", in which the construction entity, after providing agency
34 services during the preconstruction period, serves as the general contractor.

35 (b) The general contractor shall hold all
36 trade contracts and purchase orders and shall bond and guarantee the project;

1 (2) "Political subdivision" means a county, school district,
2 city of the first class, city of the second class, incorporated town, and all
3 other bodies politic; and

4 (3) "Other professional services" means professional services
5 not listed in § 19-65-101(b) as defined by a political subdivision with a
6 two-thirds ($\frac{2}{3}$) vote of its governing body.

7
8 Subchapter 2 – Certain Professional Services Procured by the State and
9 Political Subdivisions

10
11 19-65-201. Annual statements of qualifications – Restrictions on
12 competitive bidding.

13 (a) In the procurement of professional services, a state agency or
14 political subdivision that utilizes the professional services may encourage
15 firms engaged in the lawful practice of professions offering professional
16 services to submit annual statements of qualifications to the state agency or
17 political subdivision or may request such information as needed for a
18 particular public project.

19 (b) The state agency or political subdivision shall evaluate current
20 statements of qualifications of firms on file or may request such information
21 as needed for a particular public project whenever a project requiring
22 professional services is proposed.

23 (c)(1) A political subdivision shall not use competitive bidding for
24 the procurement of legal, financial advisory, architectural, engineering,
25 construction management, and land surveying professional consulting services.

26 (2) A political subdivision shall not use competitive bidding
27 for the procurement of other professional services without a two-thirds ($\frac{2}{3}$)
28 vote of the political subdivision's governing body.

29 (d)(1) A public school district that utilizes construction management
30 services shall encourage construction management firms to submit to the
31 school district annual statements of qualifications or may request such
32 information as needed for a particular public project.

33 (2) The public school district shall evaluate current statements
34 of qualifications on file with the public school district or when submitted
35 as requested whenever a project requiring professional services of a
36 construction manager is proposed.

1 (3) The public school district shall not use competitive bidding
2 for the procurement of professional services of a construction manager.

3 (e)(1) A request for qualifications under this section may be used for
4 certain procurements through a request for qualifications other than legal,
5 architectural, engineering, construction management, land surveying, and
6 interior design services if the:

7 (A) State Procurement Director approves the use of a
8 request for qualifications and determines that it is the most suitable method
9 of procurement; and

10 (B) Approval of the director under subdivision (e)(1)(A)
11 of this section is submitted to the Legislative Council for review.

12 (2) In determining whether a request for qualifications under
13 this subsection is the most suitable method of procurement, the director
14 shall consider, based on information submitted by the requesting state
15 agency:

16 (A) Why the request for qualifications is the most
17 suitable method of procurement;

18 (B) Why cost should not be considered in the procurement;
19 and

20 (C) How the cost of the contract will be controlled if
21 cost is not a factor in the procurement.

22
23 19-65-202. Evaluation of qualifications.

24 In evaluating the qualifications of each firm, the state agency or
25 political subdivision shall consider:

26 (1) The specialized experience and technical competence of the
27 firm with respect to the type of professional services required;

28 (2) The capacity and capability of the firm to perform the work
29 in question, including specialized services, within the time limitations
30 fixed for the completion of the project;

31 (3) The past record of performance of the firm with respect to
32 such factors as control of costs, quality of work, and ability to meet
33 schedules and deadlines; and

34 (4) The firm's proximity to and familiarity with the area in
35 which the project is located.

36

1 19-65-203. Selection.

2 (a) A state agency or political subdivision shall select three (3)
3 qualified firms under this chapter.

4 (b) The state agency or political subdivision shall then select the
5 firm considered the best-qualified and capable of performing the desired work
6 and negotiate a contract for the project with the firm selected.

7

8 19-65-204. Negotiation of contracts.

9 (a) For the basis of negotiations under this chapter, a state agency
10 or political subdivision and the selected firm shall jointly prepare a
11 detailed, written description of the scope of the proposed services.

12 (b)(1)(A) If a state agency or political subdivision is unable to
13 negotiate a satisfactory contract under this chapter with the firm selected,
14 negotiations with that firm shall be terminated.

15 (B) The state agency or political subdivision shall then
16 undertake negotiations with another of the qualified firms selected.

17 (2)(A) If there is a failing of accord with the second firm,
18 negotiations with the firm shall be terminated.

19 (B) The state agency or political subdivision shall then
20 undertake negotiations with the third qualified firm.

21 (c) If a state agency or political subdivision is unable to negotiate
22 a contract with any of the selected firms under this chapter, the state
23 agency or political subdivision shall reevaluate the necessary professional
24 services, including the scope and reasonable fee requirements, again compile
25 a list of qualified firms, and proceed in accordance with this chapter.

26 (d) When unable to negotiate a contract for construction management
27 under this chapter, a public school district also shall perform a
28 reevaluation of services in accordance with subsection (c) of this section.

29

30 19-65-205. Design-build construction – Definitions.

31 (a) As used in this section:

32 (1) “Design-build” means a project delivery method in which the
33 school district acquires both design and construction services in the same
34 contract from a single legal entity, referred to as the “design-builder”,
35 without competitive bidding;

36 (2)(A) “Design-builder” means any individual, partnership, joint

1 venture, corporation, or other legal entity that is appropriately licensed in
2 the State of Arkansas and that furnishes the necessary design services, in
3 addition to the construction of the work, whether by itself or through
4 subcontracts, including without limitation subcontracts for architectural
5 services, landscape architectural services, and engineering services.

6 (B) Architectural services, landscape architectural
7 services, and engineering services shall be performed by an architect,
8 landscape architect, or engineer licensed in the State of Arkansas.

9 (C) Construction contracting shall be performed by a
10 contractor qualified and licensed under Arkansas law; and

11 (3) "Design-build contract" means the contract between the
12 school district and a design-builder to furnish the architecture,
13 engineering, and related services as required and to furnish the labor,
14 materials, and other construction services for the same project.

15 (b)(1) A school district may use design-build construction as a
16 project delivery method for building, altering, repairing, improving,
17 maintaining, or demolishing any structure, or any improvement to real
18 property owned by the school district.

19 (2) The design-builder shall contract directly with
20 subcontractors and shall be responsible for the bonding of the project.

21 (3) A project using design-build construction shall comply with
22 state and federal law.

23 (c) The Division of Public School Academic Facilities and
24 Transportation shall develop and promulgate rules consistent with this
25 section concerning the use of design-build construction by school districts.

26 27 CHAPTER 66

28 PURCHASES OF WORK CENTER PRODUCTS AND SERVICES

29
30 19-66-101. Definitions.

31 As used in this chapter:

32 (1) "Commodities" means all property, including without
33 limitation equipment, printing, stationery, supplies, and insurance, but
34 excluding real property, leases on real property, or a permanent interest in
35 real property;

36 (2) "Fiscal year" means July 1 of one (1) year through June 30

1 of the next year;

2 (3) "Individuals with disabilities" means those persons who have
3 a medically or psychiatrically determined physical, mental, or developmental
4 disability constituting a substantial vocational handicap;

5 (4) "Ordering office" means a state department, independent
6 establishment, board, commission, bureau, service, or division of state
7 government and a wholly owned state corporation;

8 (5) "Products" means commodities or services for which the price
9 of the commodities includes at least twenty percent (20%) value added when
10 the work center is awarded a contract using the ten percent (10%) preference,
11 and in the case of services, that the services are performed by individuals
12 with disabilities;

13 (6)(A) "Services" means the furnishing of labor, time, or effort
14 by a contractor, not involving the delivery of a specific end product other
15 than reports that are merely incidental to the required performance.

16 (B) "Services" does not include employment agreements,
17 collective bargaining agreements, or architectural or engineering contracts
18 requiring approval of the Building Authority Division;

19 (7) "Sheltered workshop" means a work center that has:

20 (A) Certification from the United States Department of
21 Labor as a sheltered workshop; and

22 (B) Been licensed by the Division of Developmental
23 Disabilities Services or certified by Arkansas Rehabilitation Services;

24 (8)(A) "Work center" means a facility certified by Arkansas
25 Rehabilitation Services where any manufacture or handiwork is carried on and
26 that is operated for the primary purpose of providing evaluation, training,
27 and gainful employment to individuals with disabilities in Arkansas:

28 (i) As an interim step in the rehabilitation process
29 for those individuals with disabilities in Arkansas who cannot be readily
30 absorbed in the competitive labor market; or

31 (ii) During such time as employment opportunities
32 for the individuals with disabilities in Arkansas in the competitive labor
33 market do not exist.

34 (B) "Work center" includes without limitation:

35 (i) A sheltered work center; and

36 (ii) A work center for the blind; and

1 (9) "Work center for the blind" means a facility certified by
2 the Division of State Services for the Blind where the manufacture,
3 handiwork, or provision of services is carried on and that is operated to
4 provide evaluation, training, and gainful employment to individuals in the
5 State of Arkansas eligible for services from the Division of State Services
6 for the Blind:

7 (A) As an interim step in the rehabilitation process for
8 those individuals in the State of Arkansas eligible for service from the
9 Division of State Services for the Blind who cannot be readily absorbed in
10 the competitive labor market;

11 (B) During such time as employment opportunities for
12 individuals in the State of Arkansas eligible for service from the Division
13 of State Services for the Blind in the competitive labor market do not exist;
14 or

15 (C) For whom such placement represents informed choice as
16 appropriate employment at a competitive wage.

17
18 19-66-102. Purchase required – Exception.

19 (a) All suitable commodities and services, including small purchases,
20 procured according to applicable state specifications by or for a state
21 department, institution, or agency shall be procured from nonprofit work
22 centers for individuals with disabilities in all cases when the commodities
23 and services are available within the period specified and at the fair market
24 price for the commodities and services so procured.

25 (b) Services offered by work centers shall be procured by competitive
26 sealed bidding as specified by § 19-61-505, competitive sealed proposals as
27 specified by § 19-61-506, or competitive bidding as specified by § 19-61-504,
28 subject to purchase exceptions set forth in § 19-66-103 – 19-66-105.

29 (c) This section does not apply in any cases in which commodities and
30 services are available for procurement from a state department, institution,
31 or agency, and procurement from the state department, institution, or agency
32 is required under a law in effect on or after March 1, 1991.

33
34 19-66-103. Purchase required – Schedule of commodities and services –
35 Failure by work center.

36 (a) All state agencies as defined in § 19-61-103 are required to

1 purchase their requirements of needed available and suitable products and
2 purchase suitable services from nonprofit work centers for individuals with
3 disabilities, unless such products and services are authorized by prior
4 legislation for production in another state agency, department, or
5 institution.

6 (b)(1) The Office of State Procurement shall issue to all state agency
7 purchasing agents a schedule of commodities and services made by work centers
8 and the conditions under which commodities and services are to be procured
9 from the work centers.

10 (2) The schedule shall include the commodity or service
11 description.

12 (c) When a commodity or service is identified in the schedule of work
13 center-made commodities and services as being available through the Office of
14 State Procurement, the commodity or service shall be obtained in accordance
15 with the requisitioning procedures of the supplying state agency.

16 (d)(1) An ordering office may purchase from a non-work-center source
17 commodities or services listed in the schedule of commodities and services
18 made by the work center in any of the following circumstances:

19 (A) Necessity requires delivery within the specified
20 period, and the work center cannot give assurance of positive availability;
21 or

22 (B) When commodities listed on the schedule of work-
23 center-made commodities can be purchased from a non-work-center source by the
24 state agency for a price more than ten percent (10%) lower than commodities
25 made by the work center included in the schedule.

26 (2) Services offered by any work center shall be procured by any
27 state agency in accordance with this section at a price not more than ten
28 percent (10%) above the lowest price submitted from a non-work-center source.

29 (e) Product commodities made by a work center shall be delivered in
30 accordance with the terms of the purchase order.

31 (f) When a work center fails to comply with the terms of a government
32 order, the ordering office shall make reasonable efforts to negotiate an
33 adjustment before taking action to cancel the government order.

34

35 19-66-104. Work center qualification.

36 (a) Arkansas Rehabilitation Services and the Division of State

1 Services for the Blind shall undertake the inspection on a continuing basis
2 of the work centers certified by each respective state agency to determine
3 that the work centers operate in accordance with the requirements of this
4 chapter and the rules promulgated under this chapter.

5 (b)(1) In order to qualify for participation in the program as a work
6 center, an organization shall submit an application to the Office of State
7 Procurement.

8 (2) If required for all vendors, the organization shall include
9 in the application a list of the commodities and services offered for sale to
10 the state.

11 (c) A work center shall:

12 (1) Furnish commodities and services in strict accordance with
13 the allocation and government order;

14 (2) Maintain records of wages paid, hours of employment, and
15 sales;

16 (3) Make available pertinent books and records of the state
17 agency for inspection at any reasonable time to representatives of Arkansas
18 Rehabilitation Services or the Division of State Services for the Blind, as
19 applicable; and

20 (4)(A) Submit to Arkansas Rehabilitation Services or the
21 Division of State Services for the Blind, as applicable, by September 1 an
22 annual report for the preceding fiscal year.

23 (B) The annual report under subdivision (c)(4)(A) of this
24 section shall include:

25 (i) Data on individuals with disabilities who are
26 workers;

27 (ii) Wages and wage supplements;

28 (iii) Hours of employment;

29 (iv) Sales;

30 (v) Whether the work center requires a facilities-
31 sheltered workshop certificate from the United States Department of Labor and
32 special minimum rates authorized where the certificate is held; and

33 (vi) Such other relevant information as may be
34 required.

35

36 19-66-105. Rules – Violations.

1 (a) The Office of State Procurement shall promulgate rules governing
2 implementation of this chapter.

3 (b)(1) The office shall investigate an alleged violation of the rules
4 promulgated under this chapter.

5 (2) The office shall notify the work center concerned in the
6 investigation by the office under subdivision (b)(1) of this section and
7 afford the work center an opportunity to submit a statement of facts and
8 evidence.

9
10 CHAPTER 67

11 PROFESSIONAL AND CONSULTANT SERVICES CONTRACTS

12
13 Subchapter 1. General Provisions

14 Subchapter 2. Procedural Requirements – Guidelines and Rules

15
16 Subchapter 1 – General Provisions

17
18 19-67-101. Definitions.

19 As used in this chapter:

20 (1) “Consultant services contract” means a contract between a
21 state agency and an individual or organization in which:

22 (A) The service to be rendered to the state agency or to a
23 third-party beneficiary under the contract is primarily the giving of advice
24 by the contractor on a particular problem facing the state agency or the
25 third-party beneficiary;

26 (B) The contractor is an independent contractor with
27 respect to the state agency;

28 (C) The state agency does not exercise managerial control
29 over the day-to-day activities of the contractor; and

30 (D) The contract specifies the results expected from the
31 services to be rendered by the contractor and the advice or assistance to be
32 provided;

33 (2) “Contractor” means a person or organization that executes a
34 contract with a state agency under which the person or organization agrees to
35 provide professional services or consultant services to the state agency, and
36 the individuals performing the services are not state employees occupying

1 regular full-time or part-time or extra help positions provided by law;

2 (3)(A) "Design professional contract" means a contract that is
3 primarily for:

4 (i) Minor projects that are time-critical; and
5 (ii) Remodeling projects that do not exceed two
6 million dollars (\$2,000,000) in cost.

7 (B) Design professional contracts are primarily for the
8 procurement of architectural, engineering, and professional services
9 competitively selected under §§ 19-65-101, 19-65-102, and 19-65-201 – 19-65-
10 205.

11 (C) Design professional contracts shall be reviewed by the
12 state agency or institution at least yearly and adjusted to reflect
13 historical expenditures.

14 (D)(i) A state agency shall follow applicable Building
15 Authority Division guidelines, procedures, and rules for the selection and
16 award of contracts.

17 (ii) However, a guideline, procedure, or rule of the
18 division shall not increase or decrease the:

19 (a) Dollar amount under subdivision (3)(A)(ii)
20 of this section; or

21 (b) Specified period under § 19-61-512(a).

22 (E) Institutions of higher education that are exempt from
23 review and approval of the division shall comply with this section;

24 (4) "Employee" means an individual drawing a salary from a state
25 agency, whether elected or not, and any nonsalaried individual performing
26 professional services for any state agency;

27 (5) "Professional services contract" means a contract between a
28 state agency and a contractor in which:

29 (A) The relationship between the contractor and the state
30 agency is that of an independent contractor rather than that of an employee;

31 (B) The services to be rendered consist of the personal
32 services of an individual that are professional in nature;

33 (C) The state agency does not have direct managerial
34 control over the day-to-day activities of the individual providing the
35 services;

36 (D) The contract specifies the results expected from the

1 rendering of the services rather than detailing the manner in which the
2 services shall be rendered; and

3 (E) Services rendered under a professional services
4 contract are rendered to the state agency itself or to a third-party
5 beneficiary; and

6 (6) "State agency" means a department, agency, board,
7 commission, or institution of higher education of the State of Arkansas.

8

9 19-67-102. Purpose of contracts.

10 The principal purpose of a professional services contract or a
11 consultant services contract is the procurement of services by the state
12 agency rather than the procurement of commodities.

13

14 19-67-103. Contracts exempted.

15 This chapter does not apply to:

16 (1) The contracts of the Arkansas Department of Transportation
17 that are covered by the technical work requirements and administrative
18 controls of the Federal Highway Administration;

19 (2) Contracts entered into by the department in which the costs
20 and fees are established by competitive bidding;

21 (3) Contracts of institutions of higher education that are for
22 services related to patents, copyrights, or trademarks; or

23 (4) Contracts created under federally approved state plans for
24 services reimbursed under Title V of the Social Security Act, 42 U.S.C. §§
25 701 – 710, or Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 –
26 1396v, as they existed on January 1, 2001, if those contracts and services
27 conform to all applicable federal laws and rules, and to the ethical
28 standards provided for in § 19-64-201.

29

30 19-67-104. Restrictions on contracts.

31 (a) A contract under this chapter shall not be used to avoid the
32 purpose or the spirit of the General Accounting and Budgetary Procedures Law,
33 § 19-4-101 et seq.

34 (b) A contract shall not be approved that would be in violation of §
35 19-4-701 et seq. relating to expenditures.

36 (c)(1) Except as provided in this subsection, a state agency shall not

1 engage in a professional services or consultant services contract with a
2 part-time or full-time employee who occupies a position authorized to be paid
3 from extra help or regular salaries for a state agency, except as provided in
4 § 21-1-403.

5 (2) However, this subsection does not prohibit an institution of
6 higher education from executing a contract with a state agency under which
7 professional or consulting services will be performed by employees of the
8 institution of higher education.

9 (3) An employee of an institution of higher education performing
10 professional or consulting services to a state agency may receive additional
11 compensation if:

12 (A) The institution of higher education requests and
13 receives written approval from the Commissioner of the Division of Higher
14 Education concerning the amount of additional compensation to be paid to any
15 employee; and

16 (B) The total salary payments received from the employee's
17 regular salaried position and amounts received for services performed under a
18 professional services contract do not exceed one hundred twenty-five percent
19 (125%) of the maximum annual salary authorized by law for the employee's
20 position with the institution of higher education.

21 (d) A director or any other department head of a state agency shall
22 not receive additional compensation under this chapter.

23 (e)(1) A contract under which a state agency retains day-to-day
24 managerial control over the person performing the services or in which the
25 relationship between the contractor and the state agency is that of employer
26 and employee is not a professional services contract and is prohibited.

27 (2) However, the Division of Information Systems may employ
28 persons over whom they exercise day-to-day managerial control for those
29 services under § 25-4-112 for which professional services contracts may be
30 used.

31

32 Subchapter 2 – Procedural Requirements – Guidelines and Rules

33

34 19-67-201. General guidelines and rules.

35 The State Procurement Director, after soliciting suggestions from state
36 agencies and after seeking and receiving the advice of the Attorney General

1 and review by the Legislative Council or by the Joint Budget Committee, if
2 the General Assembly is in session, shall publish general guidelines for the
3 procurement of professional and consultant services contracts and general
4 rules governing the use of each type of contract.

5
6 19-67-202. Certification by agency head.

7 The head of a state agency shall certify by his or her signature on
8 each contract entered into by that state agency that:

9 (1) All information required by law and by rule is supplied;

10 (2) The proper contracting form is utilized;

11 (3) All information contained in the contract is true and
12 correct to the best of his or her knowledge and belief;

13 (4) All general guidelines prescribed by the State Procurement
14 Director have been complied with;

15 (5) The services proposed to be provided under the contract are
16 necessary for operation of the state agency in fulfilling its legal
17 responsibilities and cannot be provided by any existing state agency;

18 (6) The contractor is fully qualified to perform the contract
19 and does not have a vested interest in the subject matter of the contract
20 that would constitute a conflict of interest and a bar to the contractor's
21 providing services of a professional and disinterested quality;

22 (7) The contract terms are reasonable and the benefits to be
23 derived are sufficient to warrant the expenditure of the funds called for in
24 the contract;

25 (8) Sufficient funds are available to pay the obligations when
26 the obligations become due; and

27 (9) A projected total cost of the contract is provided to
28 include expenditures that may be incurred under all available periods of
29 extension if the extensions were executed.

30
31 19-67-203. Approval or disapproval of contracts.

32 (a) The State Procurement Director may make whatever additional
33 inquiry he or she deems necessary and may require that additional information
34 be supplied if he or she has reason to believe that the contract should be
35 rejected because it does not comply with this chapter.

36 (b) The director shall return to the contracting state agency any

1 contract that fails to comply with the applicable laws and rules governing
2 the contract and shall approve any contract that complies with this chapter.

3 (c)(1) The director has final authority over the supervision and
4 approval of all contracts described in this chapter.

5 (2) However, the director shall seek review of the Legislative
6 Council or the Joint Budget Committee before approving or disapproving any
7 contract or class or group of contracts authorized under this chapter, unless
8 the Legislative Council or Joint Budget Committee specifically exempts the
9 contract or class or group of contracts by formal committee action.

10
11 19-67-204. Filing of contracts.

12 Service contracts filed with a state agency under § 19-4-1108 shall be
13 available for public inspection and auditing purposes.

14
15 19-67-205. Review requirement.

16 (a)(1) Every contract for professional consultant services covered by
17 this chapter that is executed using the professional and consultant services
18 contract form approved by the State Procurement Director shall be filed with
19 the Office of State Procurement.

20 (2) The execution date of all contracts shall be defined as the
21 date upon which performance of the services to be rendered under the contract
22 is to begin and not the date upon which the agreement was made.

23 (b)(1) A purchase order shall not be paid if a copy of the contract
24 under which the payment is being made has not previously been filed with the
25 Office of State Procurement.

26 (2) A payment shall not be made covering services rendered
27 before the execution date of the contract.

28 (c)(1) It is the intent of the General Assembly that this section be
29 strictly construed and enforced.

30 (2) However, in the unusual event that an obligation for
31 services has been incurred by a state agency under a contractual agreement or
32 proposed contract before the approval of the contract, the Chief Fiscal
33 Officer of the State may approve payment for such services after having first
34 received the review of the Legislative Council.

35
36 19-67-206. Standard contract forms.

1 (a) The State Procurement Director shall prescribe standard forms to
2 be utilized by all state agencies.

3 (b) The standard contract form shall include the following items, plus
4 such additional items as the director shall deem desirable for the purposes
5 of this chapter:

6 (1) A section setting forth in reasonable detail the objectives
7 and scope of the contractual agreement and the methods to be used to
8 determine whether the objectives specified have been achieved;

9 (2) The rates of compensation, transportation, per diem,
10 subsistence, out-of-pocket allowances, and all other items of costs
11 contemplated to be paid the contractor by the state agency;

12 (3) The method by which the rate of compensation and the total
13 payment shall be calculated;

14 (4) The maximum number of dollars that the state agency may be
15 obligated to pay to the contractor under the terms of the contract, including
16 all expenses and other items of costs, and the source of funding to be
17 utilized;

18 (5) The term of the contract;

19 (6)(A) The names of all individuals who will be supplying
20 services to the state agency or to third-party beneficiaries under the terms
21 of the contract, so far as those names are known to the contractor at the
22 time of the execution of the contract.

23 (B) If the names of all individuals supplying services
24 under the contract are not available at the time of the execution of the
25 contract, the contract shall contain a provision requiring the contractor to
26 submit periodically the names of individuals supplying services as soon as
27 the identity of those individuals is known to the contractor;

28 (7) When the contractor is a business entity, the federal
29 identification number of the business entity shall be listed on the contract
30 form;

31 (8)(A) A certification signed by the contractor shall be
32 included as follows:

33 " _____ (name) _____ (title)
34 I _____, certify under penalty of perjury
35 that, to the best of my knowledge and belief, no regular full-time or part-
36 time employee of any state agency of the State of Arkansas will receive any

1 personal, direct, or indirect monetary benefits which would be in violation
2 of the law as a result of the execution of this contract.”

3 (B) As used in subdivision (b)(8)(A) of this section, it
4 is understood that when the contractor is a widely held public corporation
5 “direct or indirect monetary benefit” does not apply to any regular corporate
6 dividends paid to a stockholder of the corporation who is also a state
7 employee and who owns less than ten percent (10%) of the total outstanding
8 stock of the contracting corporation;

9 (9)(A) For a contract in which the total compensation exclusive
10 of reimbursable expenses to be paid by the state agency does not exceed fifty
11 thousand dollars (\$50,000), a purchase order may be utilized in lieu of the
12 standard form or forms prescribed by the director.

13 (B)(i) However, if the state agency enters into a
14 subsequent contract with the same individual or organization during the same
15 fiscal year, regardless of the nature of the contract, then the details of
16 the original contract that utilized a purchase order form and of all
17 subsequent contracts, regardless of amount or type, shall be promptly
18 reported to the director.

19 (ii) Reporting under subdivision (b)(9)(B)(i) of
20 this section shall be done to allow the director to determine whether the
21 state agency is utilizing a series of contracts to avoid the use of the
22 standard form and to avoid the application of appropriate rules;

23 (10) Standard contract forms in use by licensed practitioners
24 such as architects and engineers may be used to supplement the standard
25 contract forms; and

26 (11) All professional consultant services contracts shall
27 contain the following clause:

28 “In the event the State of Arkansas fails to appropriate
29 funds or make moneys available for any biennial period covered by the term of
30 this contract for the services to be provided by the contractor, this
31 contract shall be terminated on the last day of the last biennial period for
32 which funds were appropriated or moneys made available for such purposes.

33 “This provision shall not be construed to abridge any other
34 right of termination the agency may have.”

35 (c) For the purpose of reporting methods of finance, a state agency
36 shall disclose the total estimated project cost in addition to any other

1 reporting requirements of the Legislative Council or the Joint Budget
2 Committee.

3

4 19-67-207. Compliance reporting – Definition.

5 (a) Each report required under this chapter shall be copied to the
6 Secretary of the Department of Transformation and Shared Services, who shall
7 review each report for compliance with the fiscal responsibility and
8 management laws of the state under the State Fiscal Management Responsibility
9 Act, § 19-1-501 et seq.

10 (b) If the secretary determines that a state agency, agency
11 procurement official, or state official or employee may be in violation of
12 the fiscal responsibility and management laws of the state under the State
13 Fiscal Management Responsibility Act, § 19-1-501 et seq., the secretary shall
14 notify the chief executive officer of the relevant state agency.

15

16 19-67-208. Cancellation of contract on entry of final business closure
17 order – Definition.

18 (a) As used in this chapter, “final business closure order” means a
19 business closure order for which a contractor has either:

20 (1) Waived further administrative review under § 26-18-1001 et
21 seq.; or

22 (2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

23 (b) The Revenue Division of the Department of Finance and
24 Administration shall provide to the Office of State Procurement all final
25 business closure orders entered into against a contractor.

26 (c) Upon receipt of a final business closure order, the office shall,
27 as soon as reasonably practicable:

28 (1) Notify each state agency with which the contractor has a
29 contract that the:

30 (A) Contractor is subject to a final business closure
31 order; and

32 (B) Provision of any goods or services, or both, under a
33 contract with the contractor that is subject to a final business closure
34 order shall cease as soon as reasonably practicable; and

35 (2) Notify all state agencies that the contractor that is
36 subject to a final business closure order shall not be awarded or maintain a

1 contract with a state agency unless the office provides notice under
2 subsection (d) of this section.

3 (d) Upon receipt of information that a contractor has resolved a
4 business closure, the office shall notify all state agencies, as soon as
5 reasonably practicable, that:

6 (1) Any unexpired contracts with the contractor may continue if
7 the contract was not terminated, cancelled, suspended, or discontinued; and

8 (2) The contractor may be awarded or maintain a contract with a
9 state agency.

10

11

CHAPTER 68

12

GUARANTEED ENERGY COST SAVINGS ACT

13

14 Subchapter 1. General Provisions

15 Subchapter 2. Authorization – Procedure – Requirements

16 Subchapter 3. Administration

17 Subchapter 4. Miscellaneous Provisions

18

19

Subchapter 1 – General Provisions

20

21 19-68-101. Title.

22 This chapter shall be known and may be cited as the “Guaranteed Energy
23 Cost Savings Act”.

24

25 19-68-102. Definitions.

26 As used in this chapter:

27 (1)(A) “Energy cost savings measure” means:

28 (i) A new facility that is designed to reduce the
29 consumption of energy or natural resources or operating costs as a result of
30 changes that:

31 (a) Do not degrade the level of service or
32 working conditions;

33 (b) Are measurable and verifiable under the
34 International Performance Measurement and Verification Protocol, as adopted
35 by the Arkansas Pollution Control and Ecology Commission, in the rules
36 required under § 19-68-301; and

- 1 (c) Are measured and verified by an audit
2 performed by a qualified provider; or
- 3 (ii) An existing facility alteration that is
4 designed to reduce the consumption of energy or natural resources or
5 operating costs as a result of changes that conform with subdivisions
6 (1)(A)(i)(a) and (b) of this section.
- 7 (B) "Energy cost savings measure" includes:
- 8 (i) Insulation and reduced air infiltration of the
9 building structure, including walls, ceilings, and roofs or systems within
10 the building;
- 11 (ii) Storm windows or doors, caulking or weather-
12 stripping, multi-glazed windows or doors, heat-absorbing or heat-reflective
13 glazed and coated window or door systems, additional glazing, reductions in
14 glass area, or other window and door system modifications that reduce energy
15 consumption;
- 16 (iii) Automated or computerized energy control
17 systems, including computer software and technical data licenses;
- 18 (iv) Heating, ventilating, or air conditioning
19 system modifications or replacements;
- 20 (v) Replacement or modification of lighting fixtures
21 to increase the energy efficiency of the lighting system without increasing
22 the overall illumination of a facility, unless an increase in illumination is
23 necessary to conform to the applicable state or local building code for the
24 lighting system after the proposed modifications are made;
- 25 (vi) Indoor air quality improvements;
- 26 (vii) Energy recovery systems;
- 27 (viii) Electric system improvements;
- 28 (ix) Life safety measures that provide long-term,
29 operating-cost reductions;
- 30 (x) Building operation programs that reduce
31 operating costs;
- 32 (xi) Other energy-conservation-related improvements
33 or equipment, including improvements or equipment related to renewable
34 energy;
- 35 (xii) Water and other natural resources
36 conservation; or

1 (xiii) An alteration or measure identified through a
2 comprehensive audit or assessment of new or existing facilities;

3 (2) "Equipment warranty period" means the time following the
4 execution of a guaranteed energy cost savings contract in which a material
5 defect in an installed energy conservation measure is required to be replaced
6 or corrected by the manufacturer or an energy service company;

7 (3)(A) "Guaranteed energy cost savings contract" means a
8 contract for the implementation of one (1) or more energy cost savings
9 measures and services provided by a qualified provider in which the energy
10 and cost savings achieved by the installed energy project cover all project
11 costs, including financing, over a specified contract term.

12 (B) "Guaranteed energy cost savings contract" does not
13 include improvements or equipment that allow or cause water from any
14 condensing, cooling, or industrial process or any system of nonpotable usage
15 over which public water supply system officials do not have sanitary control
16 to be returned to the potable water supply;

17 (4) "Operational cost savings" means expenses eliminated and
18 future replacement expenditures avoided as a result of new equipment
19 installed or services performed;

20 (5) "Public notice" means the same as "public notice" is defined
21 in § 19-61-103;

22 (6) "Qualified provider" means a person or business, including
23 all subcontractors and employees of that person or business and third-party
24 financing companies, that:

25 (A) Is properly licensed in the State of Arkansas;

26 (B) Has been reviewed and certified by the office as a
27 qualified provider under this chapter;

28 (C) Is experienced in the design, implementation,
29 measurement, verification, and installation of energy cost savings measures;

30 (D) Has at least five (5) years of experience in the
31 analysis, design, implementation, installation, measurement, and verification
32 of energy efficiency and facility improvements;

33 (E) Has the ability to arrange or provide the necessary
34 financing to support a guaranteed energy cost savings contract; and

35 (F) Has the ability to perform under a contract that
36 requires the person or business to guarantee the work performed by one (1) or

1 more subcontractors;

2 (7) "State agency" means the same as "state agency" is defined
3 in § 19-61-103; and

4 (8) "Useful life" means the rated service life of an individual
5 energy conservation measure as defined by the:

6 (A) American Society of Heating, Refrigerating and Air-
7 Conditioning Engineers;

8 (B) Illuminating Engineering Society; or

9 (C) Solar Energy Industries Association.

10

11 Subchapter 2 – Authorization – Procedure – Requirements

12

13 19-68-201. Energy cost savings measures authorized.

14 (a)(1) A state agency may enter into a guaranteed energy cost savings
15 contract in order to reduce energy consumption or operating costs of
16 government facilities in accordance with this chapter.

17 (2) A state agency or several state agencies together may enter
18 into an installment payment contract or lease purchase agreement with a
19 qualified provider for the purchase and installation of energy cost savings
20 measures in accordance with this chapter.

21 (b) All energy cost savings measures shall comply with current local,
22 state, and federal construction and environmental codes and regulations.

23 (c) The provisions of the Arkansas Procurement Law, § 19-61-101 et
24 seq., shall control if there is any conflict with the Arkansas Procurement
25 Law, § 19-61-101 et seq., this chapter.

26

27 19-68-202. Method of solicitation.

28 A solicitation of a guaranteed energy cost savings contract by a state
29 agency shall be consistent with the Arkansas Procurement Law, § 19-61-101 et
30 seq.

31

32 19-68-203. Evaluation of responses to solicitations.

33 (a) In a state agency's evaluation of each qualified provider's
34 response to a solicitation under § 19-68-202, the state agency shall include
35 an analysis of:

36 (1) Whether the qualified provider meets the objectives of the

1 solicitation, including without limitation a reduction in the state agency's
2 energy consumption or operating costs resulting from a guaranteed energy cost
3 savings contract with the qualified provider;

4 (2) The qualifications and experience of the qualified provider;

5 (3) The technical approach to the energy cost savings measures;

6 (4) The financial aspects of the energy cost savings measures;

7 (5) The overall benefit to the state agency; and

8 (6) Any other relevant factors.

9 (b) After evaluating a response to a solicitation as required under
10 subsection (a) of this section, a state agency may:

11 (1) Reject the response; or

12 (2) Award a contract to a qualified provider to conduct an
13 energy audit to be used in developing the guaranteed energy cost savings
14 contract.

15
16 19-68-204. Guaranteed energy cost savings contract requirements.

17 (a) The following provisions are required in a guaranteed energy cost
18 savings contract:

19 (1) A statement that the state agency shall maintain and operate
20 the energy cost savings measures as defined in the guaranteed energy cost
21 savings contract; and

22 (2) A guarantee by the qualified provider that:

23 (A) The energy cost savings and operational cost savings
24 to be realized over the term of the guaranteed energy cost savings contract
25 meet or exceed the costs of the energy cost savings measures; and

26 (B) If the annual energy or operational cost savings fail
27 to meet or exceed the annual costs of the energy cost savings measure as
28 required by the guaranteed energy cost savings contract, the qualified
29 provider shall reimburse the state agency for any shortfall of guaranteed
30 energy cost savings over the term of the guaranteed energy cost savings
31 contract.

32 (b)(1) If a guaranteed energy cost savings contract includes energy
33 cost savings measures that possess either an active equipment warranty period
34 or a combined useful life in excess of twenty (20) years, a guaranteed energy
35 cost savings contract may be extended to the length of the:

36 (A) Equipment warranty period; or

1 (B) Weighted useful life of the relevant energy cost
2 savings measures.

3 (2) A guaranteed energy cost savings contract shall not exceed
4 twenty (20) years without approval of the Arkansas Energy Office of the
5 Division of Environmental Quality.

6 (c) Before entering into a guaranteed energy cost savings contract,
7 the state agency shall require the qualified provider to file with the state
8 agency a payment and performance bond or similar assurance as provided under
9 § 19-61-401.

10

11 Subchapter 3 – Administration

12

13 19-68-301. Administration of subchapter – Fees.

14 (a) The Arkansas Energy Office of the Division of Environmental
15 Quality shall administer this chapter.

16 (b) The Arkansas Pollution Control and Ecology Commission may
17 promulgate rules for the administration of this chapter, including without
18 limitation:

19 (1) Standards for measuring and verifying the performance of
20 energy cost savings measures;

21 (2) A standard contract form for use by a state agency in
22 entering into a guaranteed energy cost savings contract;

23 (3) The adoption of the International Performance Measurement
24 and Verification Protocol as it existed on a specific date; and

25 (4) The establishment and collection of a reasonable fee to
26 cover the costs of administering this chapter.

27

28 Subchapter 4 – Miscellaneous Provisions

29

30 19-68-401. Use of maintenance and operation appropriations.

31 (a) Notwithstanding any law to the contrary, a state agency may
32 utilize maintenance and operations appropriations for the payment of
33 equipment and energy cost savings measures required by a guaranteed energy
34 cost savings contract.

35 (b) An energy cost savings measure shall be treated as an energy
36 efficiency project under Arkansas Constitution, Amendment 89.

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CHAPTER 69

PARTIAL EQUITY OWNERSHIP AGREEMENT EXECUTED BY A STATE RETIREMENT SYSTEM

19-69-101. Definition.

As used in this chapter, "partial equity ownership agreement" means an agreement with a legal entity, including without limitation a partnership, a limited partnership, a limited liability company, or similar legal entity that:

- (1) Includes a state retirement system as a partner, a limited partner, or a partial owner;
- (2) Creates an equity interest or ownership position for the state retirement system; and
- (3) Utilizes retirement trust funds that are not appropriated by the General Assembly.

19-69-102. Review of partial equity ownership agreements.

(a) A partial equity ownership agreement is subject to review by submission of the partial equity ownership agreement to the Office of State Procurement and the Legislative Council under this section.

(b) Since the partial equity ownership agreement is fundamentally and substantially different from a state contract for commodities, goods, and services that are reviewed under the Arkansas Procurement Law, § 19-61-101 et seq., or other contract that is reviewed under this subtitle, and since the partial equity ownership agreement is utilizing retirement trust funds that are not appropriated by the General Assembly, the partial equity ownership agreement is not subject to:

- (1) A limitation of the term or duration of the partial equity ownership agreement; or
- (2) An annual renewal clause.

(c) When submitting a partial equity ownership agreement for review, the state retirement system shall provide information that includes without limitation:

- (1) The managing parties to the partial equity ownership agreement;
- (2) The state retirement system's interest and ownership in the

1 partial equity ownership agreement;

2 (3) The reason for the formation of or entry into the partial
3 equity ownership agreement;

4 (4) Justification that the duration of the partial equity
5 ownership agreement is necessary to serve the best interests of the retirants
6 under the prudent investor rule as set out in §§ 24-2-610 – 24-2-619;

7 (5) The anticipated date of implementation of the partial equity
8 ownership;

9 (6) The anticipated termination date of the partial equity
10 ownership agreement; and

11 (7) Other information regarding the terms of the partial equity
12 ownership agreement that the office or the Legislative Council may reasonably
13 require for an adequate review.

14

15 19-69-103. Imminent need to enter into partial equity ownership
16 agreement.

17 (a) In lieu of a review under § 19-69-102, a partial equity ownership
18 agreement that necessitates immediate formation shall be reviewed by the
19 Office of State Procurement and the Legislative Council under this section.

20 (b)(1) The board of trustees of a state retirement system may enter
21 into a partial equity ownership agreement or substantially alter the terms of
22 an existing partial equity ownership agreement if the board of trustees
23 passes a resolution that:

24 (A) Determines an imminent need to immediately form or
25 enter into the partial equity ownership agreement;

26 (B) Deems it financially appropriate to immediately form
27 or enter into a partial equity ownership agreement; and

28 (C) Concludes that to forego the opportunity to promptly
29 implement the board of trustees' investment directives under the prudent
30 investor rule as set out in §§ 24-2-610 – 24-2-619 would be inconsistent with
31 the board of trustees' fiduciary duty of care to the retirants.

32 (2) The board of trustees of the state retirement system shall
33 provide the office and the Legislative Council with a copy of the resolution
34 under subsection (a) of this section within five (5) business days of the
35 passage of the resolution.

36 (c) For a partial equity ownership agreement reviewed under this

1 section, the state retirement system shall submit information to the office
2 and the Legislative Council within thirty (30) days of the passage of the
3 resolution that discloses:

4 (1) The managing parties to the partial equity ownership
5 agreement;

6 (2) The state retirement system's interest and ownership in the
7 partial equity ownership agreement;

8 (3) The reason for the immediate formation or entry into a
9 partial equity ownership agreement;

10 (4) Justification that the duration of the partial equity
11 ownership agreement is necessary to serve the best interests of the retirants
12 under the prudent investor rule as set out in §§ 24-2-610 – 24-2-619;

13 (5) The anticipated date of implementation;

14 (6) The anticipated termination date of the partial equity
15 ownership agreement; and

16 (7) Other information regarding the terms of the partial equity
17 ownership agreement that the office or the Legislative Council may reasonably
18 require for an adequate review.

19 (d) As may be reasonably required by the Legislative Council, a member
20 of the board of trustees, the director of the respective state retirement
21 system, or the director's appointee shall appear at the next scheduled
22 meeting of the Legislative Council after the receipt of the information under
23 subsection (c) of this section to present the information and explain the
24 details of the partial equity ownership agreement.

25
26 19-69-104. Retrospective review of partial equity ownership agreement
27 to ensure disclosure.

28 (a) Before April 7, 2009, if a state retirement system has entered
29 into a partial equity ownership agreement that has not been submitted
30 previously for review under § 19-60-101 et seq., the Arkansas Procurement
31 Law, § 19-61-101 et seq., or § 19-65-101 et seq., then the partial equity
32 ownership agreement shall be reviewed retrospectively under this section.

33 (b) The board of trustees of a state retirement system shall submit
34 information that the Office of State Procurement or the Legislative Council
35 may reasonably require to allow a retrospective review of a partial equity
36 ownership agreement under this section.

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CHAPTER 70
CONSTRUCTION MANAGER-GENERAL CONTRACTOR METHOD OF PROCUREMENT PILOT PROGRAM

Subchapter 1. General Provisions
Subchapter 2. Construction Manager-General Contractor Method of Procurement
Pilot Program – Creation – Procedure

Subchapter 1 – General Provisions

19-70-101. Title.

This chapter shall be known and may be cited as the “Construction
Manager-General Contractor Method of Procurement Pilot Program”.

19-70-102. Legislative findings.

The General Assembly finds that:

(1) An efficient transportation system is critical for
Arkansas’s economy and the quality of life of the state’s residents;

(2) Transportation projects are costly and the revenues
currently available for highways and local roads are inadequate to preserve
and maintain existing infrastructure and to provide funds for highway
improvements;

(3) The State Highway Commission has developed an alternative,
cost-effective, procurement procedure for transportation projects performed
by the commission and the Arkansas Department of Transportation;

(4) A construction manager-general contractor method allows the
commission to engage a construction manager:

(A) To assist during the design and development process of
the transportation project, including without limitation to provide input
concerning the transportation project’s:

- (i) Design;
- (ii) Scheduling;
- (iii) Pricing; and
- (iv) Phasing; and

(B) Who may subsequently become the general contractor and
construct the transportation project if the parties agree on a guaranteed

1 maximum price; and

2 (5) The cost-effective benefits are achieved by shifting the
3 liability and risk for cost containment and transportation project scheduling
4 to the construction manager, which leads many states to call this method the
5 “construction manager at-risk method”.

6

7 19-70-103. Definitions.

8 As used in this chapter:

9 (1) “Authorized contingency” means a provision prepared and
10 submitted by the construction manager-general contractor as part of the
11 guaranteed maximum price that is designed to cover costs that may result
12 from:

13 (A) Incomplete design;

14 (B) Unforeseen and unpredictable conditions; or

15 (C) Uncertainties within the defined transportation
16 project scope that a prudent construction manager would not have reasonably
17 detected or anticipated during the discharge of his or her preconstruction
18 duties;

19 (2) “Construction manager-general contractor” means a business
20 firm or a legal entity selected by the Director of State Highways and
21 Transportation to act as a construction manager to provide preconstruction
22 services during the design and development phase of a transportation project;

23 (3) “Construction manager-general contractor method” means a
24 transportation project delivery method using a best value procurement process
25 in which a construction manager is procured to provide preconstruction
26 services and may subsequently construct the whole transportation project or
27 any part of the transportation project as the general contractor if the
28 Arkansas Department of Transportation and the construction manager-general
29 contractor reach an agreement on a guaranteed maximum price;

30 (4) “Guaranteed maximum price” means:

31 (A) The total dollar amount agreed to by the construction
32 manager-general contractor to complete the construction of the transportation
33 project, including without limitation the construction manager-general
34 contractor’s:

35 (i) Direct costs;

36 (ii) Overhead;

- 1 (iii) Profit; and
- 2 (iv) Any authorized contingency; and
- 3 (B) Any dollar amount added to the total dollar amount of
- 4 the transportation project submitted under subdivision (4)(A) of this section
- 5 to cover additional costs arising from changes in the scope of work as the
- 6 department may subsequently direct in writing;
- 7 (5) "Preconstruction services" means work, labor, or services,
- 8 including services furnished in connection with the design and development of
- 9 a transportation project before the construction phase, including without
- 10 limitation:
- 11 (A) Cost estimates;
- 12 (B) Schedule analysis;
- 13 (C) Sequencing of work;
- 14 (D) Risk identification and mitigation;
- 15 (E) Constructability reviews;
- 16 (F) Evaluation of alternative construction options;
- 17 (G) Assistance with various permits;
- 18 (H) Coordination with public or private utility service
- 19 providers;
- 20 (I) Communication with third-party stakeholders or the
- 21 public; and
- 22 (J) Development of a guaranteed maximum price; and
- 23 (6) "Request for proposals" means a document or publication
- 24 soliciting proposals for a contract for construction of a transportation
- 25 project between a construction manager-general contractor and the department.

26
27 19-70-104. Rules.

28 The State Highway Commission and the Arkansas Department of
29 Transportation may promulgate rules to implement and administer this chapter.

30
31 Subchapter 2 – Construction Manager-General Contractor Method of Procurement
32 Pilot Program – Creation – Procedure

33
34 19-70-201. Construction Manager-General Contractor Method of
35 Procurement Pilot Program – Creation.

36 (a) The State Highway Commission may develop a Construction Manager-

1 General Contractor Method of Procurement Pilot Program to test the
2 utilization of the construction manager-general contractor method as a cost-
3 effective option for constructing transportation projects.

4 (b)(1)(A) For the first phase of the program, the commission may
5 select a total of five (5) transportation projects on which to utilize the
6 construction manager-general contractor method.

7 (B)(i) The sum of the construction cost estimates prepared
8 as required under § 19-70-204 of all five (5) construction manager-general
9 contractor method transportation projects selected under subdivision
10 (b)(1)(A) of this section shall not exceed two hundred million dollars
11 (\$200,000,000).

12 (ii) A construction cost estimate of a construction
13 manager-general contractor method transportation project selected under
14 subdivision (b)(1)(A) of this section shall not exceed one hundred million
15 dollars (\$100,000,000).

16 (2)(A) For the second phase of the program, beginning on August
17 1, 2023, the commission may select a total of five (5) additional
18 transportation projects that are not currently in the procurement process on
19 which to utilize the construction manager-general contractor method.

20 (B)(i) The sum of the construction cost estimates prepared
21 as required under § 19-70-204 of all five (5) construction manager-general
22 contractor method transportation projects selected under subdivision
23 (b)(2)(A) of this section shall not exceed five hundred million dollars
24 (\$500,000,000).

25 (ii) A construction cost estimate of a construction
26 manager-general contractor method transportation project selected under
27 subdivision (b)(2)(A) of this section shall not exceed one hundred fifty
28 million dollars (\$150,000,000).

29 (c) The Director of State Highways and Transportation shall send
30 written notice identifying the transportation project and the reasons for
31 deciding to apply the construction manager-general contractor method to that
32 specific transportation project to:

33 (1) The Chair of the House Committee on Public Transportation;
34 and

35 (2) The Chair of the Senate Committee on Public Transportation,
36 Technology, and Legislative Affairs.

1 (d) The program established under this chapter shall terminate no
2 later than June 30, 2026.

3
4 19-70-202. Project selection.

5 If the Arkansas Department of Transportation determines that a
6 construction manager-general contractor method of procurement is appropriate
7 for a transportation project, the department shall establish a procedure for
8 awarding the contract for construction of the construction manager-general
9 contractor method transportation project using the criteria listed in § 19-
10 70-203.

11
12 19-70-203. Request for proposals.

13 (a) A request for proposals under this chapter shall include without
14 limitation the following:

15 (1) The minimum qualifications of the construction manager-
16 general contractor;

17 (2) The procedures for submitting a proposal to the Arkansas
18 Department of Transportation, the criteria for the evaluation of and
19 selection of a construction manager-general contractor to perform
20 preconstruction services, and the relative weight assigned for each criteria
21 as indicated in a technical scoring matrix;

22 (3) The form of the contract to be awarded for preconstruction
23 services;

24 (4) A listing of the types and scope of the preconstruction
25 services that will be required;

26 (5) The scope of the intended contract;

27 (6) The budget limits for the transportation project and the
28 preconstruction services;

29 (7) The method of payment and structure of fees for the
30 preconstruction services;

31 (8) A requirement that the construction manager-general
32 contractor submit relevant information regarding any licenses, registration,
33 or credentials that may be required to construct the transportation project;

34 (9) A requirement that the construction manager-general
35 contractor provide evidence that establishes that the construction manager-
36 general contractor is capable of obtaining the required bonding and

1 insurance;

2 (10) A requirement that the construction manager-general
3 contractor submit information concerning the debarment or default from a
4 federal, state, or local government transportation project within the past
5 five (5) years;

6 (11) A requirement that the construction manager-general
7 contractor provide information concerning the bankruptcy or receivership of
8 any of its members, including information concerning any work completed by a
9 surety;

10 (12) A requirement that the construction manager-general
11 contractor provide evidence of competency, capability, and capacity to
12 complete a transportation project of similar size, scope, or complexity; and

13 (13) A prohibition that excludes a person or firm that has
14 received compensation for assisting the department in preparing the request
15 for proposals from submitting a proposal in response to the request for
16 proposals or participating as a construction manager-general contractor team
17 member.

18 (b) A request for proposals under this chapter shall not:

19 (1) Require that the construction manager-general contractor
20 have prior experience with any particular transportation project procurement
21 method as a condition for submitting a proposal; and

22 (2) Give any preference for any particular contract delivery
23 method in the scoring of a proposal.

24 (c) The department shall:

25 (1) Send a written notice of award to the best-evaluated
26 construction manager-general contractor; or

27 (2) Send to all the construction manager-general contractors
28 that submitted a proposal a written notice that all proposals have been
29 rejected.

30

31 19-70-204. Construction manager-general contractor selection.

32 (a) The Arkansas Department of Transportation shall:

33 (1) Prepare contract plans, specifications, special provisions,
34 and other requirements composing the contract for construction of a
35 transportation project elected for procurement using the construction
36 manager-general contract method authorized by this chapter;

1 (2) Prepare a detailed construction cost estimate to evaluate
2 the appropriate price for the construction of the transportation project;

3 (3) If requested by the Director of State Highways and
4 Transportation, have an independent third-party cost estimator prepare a
5 detailed construction cost estimate to confirm the appropriate price for the
6 construction of the transportation project;

7 (4) Include in the contract created by subdivision (a)(1) of
8 this section a requirement that the construction manager-general contractor
9 perform at least thirty percent (30%) of the total cost for construction, not
10 including the preconstruction work performed by the construction manager-
11 general contractor; and

12 (5)(A) Keep the construction cost estimates prepared under
13 subdivisions (a)(2) and (3) of this section confidential and not subject to
14 public disclosure until after the contract has been awarded.

15 (B) Construction cost estimates prepared under
16 subdivisions (a)(2) and (3) of this section are confidential and exempt from
17 public disclosure under the Freedom of Information Act of 1967, § 25-19-101
18 et seq., but only until after the contract has been awarded.

19 (b) A construction manager-general contractor shall submit to the
20 department a guaranteed maximum price for the construction of the
21 transportation project using the contract plans, specifications, special
22 provisions, and other requirements prepared by the department as required by
23 subdivision (a)(1) of this section.

24 (c) The department may award the contract to a construction manager-
25 general contractor if the guaranteed maximum price does not exceed the cost
26 estimate provided by the department or independent third party by more than
27 ten percent (10%).

28 (d) If the director rejects the proposed guaranteed maximum price, the
29 department may:

30 (1) Work with the construction manager-general contractor to
31 find a guaranteed maximum price that is acceptable to both parties; or

32 (2) Request that the construction manager-general contractor
33 provide additional preconstruction services and submit a new guaranteed
34 maximum price as directed by this section.

35 (e) If the department does not award the contract to a construction
36 manager-general contractor, the department may proceed with the

1 transportation project using a procurement process authorized by law.

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SUBTITLE 5
MISCELLANEOUS PROVISIONS

CHAPTER 90
TOBACCO SETTLEMENT PROCEEDS ACT

Subchapter 1. Tobacco Settlement Proceeds Act
Subchapter 2. Tobacco Settlement Revenue Bonds Act of 2006

Subchapter 1 – Tobacco Settlement Proceeds Act

19-90-101 – 19-90-118 [Reserved.]

19-90-119. Use of funds for the Medicaid Expansion Program Account.

(a) In addition to the purposes enumerated in § 19-90-116 for the Medicaid expansion program, the funds made available to the Medicaid Expansion Program Account may also be used to supplement current general revenues as approved by the Governor and the Chief Fiscal Officer of the State for the Arkansas Medicaid Program.

(b) None of the funds shall be used for this additional purpose if the usage will reduce the funds made available by the General Assembly for the Meals on Wheels America program and the senior prescription drug program.

Subchapter 2 – Tobacco Settlement Revenue Bonds Act of 2006

19-90-201. Title.

This subchapter shall be known and may be cited as the “Tobacco Settlement Revenue Bonds Act of 2006”.

19-90-202. Legislative findings, intent, and purpose.

- (a) The General Assembly finds that:
- (1) Cancer is one of the leading health problems and causes of death in the state;
 - (2) There is an immediate need for additional facilities to

1 support research in the cause, treatment, and prevention of various types of
2 cancer;

3 (3) Because the Arkansas Cancer Research Center of the
4 University of Arkansas for Medical Sciences is engaged in education,
5 research, and clinical care addressing the causes, treatment, and prevention
6 of cancer, the General Assembly has recognized the center as the official
7 cancer institute of the State of Arkansas since its inception in 1984;

8 (4) It is appropriate that the center should be designated as a
9 capital improvement project relating to healthcare services, health
10 education, or health-related research under the Tobacco Settlement Proceeds
11 Act, § 19-90-101 et seq.; and

12 (5) This subchapter provides financial resources critical to the
13 development and construction of necessary medical facilities by authorizing
14 the issuance of an additional series of Tobacco Settlement Revenue Bonds in
15 support of the center.

16 (b) This subchapter is not intended to amend nor does it amend
17 Initiated Act 1 of 2000, the Tobacco Settlement Proceeds Act, § 19-90-101 et
18 seq.

19 (c) The purpose of this subchapter is to designate an additional
20 capital improvement project as anticipated by § 19-90-106(b)(4) and to enact
21 implementation legislation necessary to authorize an additional series of
22 Tobacco Settlement Revenue Bonds to finance a portion of the additional
23 capital improvement project as provided under § 19-90-106(g).

24

25 19-90-203. Applicability of Tobacco Settlement Proceeds Act.

26 The Tobacco Settlement Proceeds Act, § 19-90-101 et seq., is fully
27 applicable to this subchapter and any Tobacco Settlement Revenue Bonds issued
28 under this subchapter.

29

30 19-90-204. Arkansas Cancer Research Center designated as capital
31 improvement project.

32 As authorized by § 19-90-106(b)(4), the Arkansas Cancer Research Center
33 of the University of Arkansas for Medical Sciences is designated as a capital
34 improvement project relating to healthcare services, health education, or
35 health-related research.

36

1 19-90-205. Additional Tobacco Settlement Revenue Bonds authorized.
2 Additional Tobacco Settlement Revenue Bonds may be issued in connection
3 with the capital improvement project described in § 19-90-204 under the
4 following conditions:

5 (1) No more than five million dollars (\$5,000,000) of the annual
6 transfer to the Tobacco Settlement Debt Service Fund shall be allocated in
7 any one (1) year to pay debt service requirements for the capital improvement
8 project;

9 (2) Annual transfers to the Tobacco Settlement Debt Service Fund
10 allocated to the capital improvement project shall not commence until the
11 Tobacco Settlement Revenue Bonds issued in 2001 under the Tobacco Settlement
12 Proceeds Act, § 19-90-101 et seq., are no longer outstanding; and

13 (3) No more than forty million dollars (\$40,000,000) in an
14 initial principal amount of Tobacco Settlement Revenue Bonds may be issued
15 for the capital improvement project.
16

17 19-90-206. Issuance of additional Tobacco Settlement Revenue Bonds by
18 Arkansas Development Finance Authority.

19 (a) If revenues in the Tobacco Settlement Debt Service Fund are
20 sufficient to meet Debt Services Requirements with regard to additional
21 Tobacco Settlement Revenue Bonds that may be issued in connection with the
22 capital improvement project described in § 19-90-204, then the Arkansas
23 Development Finance Authority shall issue additional Tobacco Settlement
24 Revenue Bonds in accordance with the limitations established in § 19-90-205
25 to be used for financing a portion of the capital improvement project
26 described in § 19-90-204.

27 (b) The additional Tobacco Settlement Revenue Bonds shall be issued as
28 set forth under the Tobacco Settlement Proceeds Act, § 19-90-101 et seq., and
29 shall be entitled to the same rights and protections as the Tobacco
30 Settlement Revenue Bonds issued in 2001 under the Tobacco Settlement Proceeds
31 Act, § 19-90-101 et seq.
32

33 SECTION 6. Arkansas Code § 1-2-303(b), concerning the powers and
34 duties of the Arkansas Code Revision Commission, is amended to read as
35 follows:

36 (b) In the commission's discretion and subject to the provisions and

1 requirements of § ~~19-4-1109~~ 19-4-1108, the commission may enter into
2 contracts for professional services to the commission, which contracts may
3 include, but are not limited to, the purposes of:
4

5 SECTION 7. Arkansas Code § 2-1-306(b)(3)(C), concerning the civil
6 penalty for violation of the truth-in-labeling laws, is amended to read as
7 follows:

8 (C) A civil penalty collected under this section shall be
9 deposited into the State Plant Board Fund.
10

11 SECTION 8. Arkansas Code § 2-15-204(c), concerning the duties of the
12 State Plant Board, is amended to read as follows:

13 (c) All moneys received by the board under this subchapter and the
14 rules adopted by the board shall be deposited into the State Plant Board Fund
15 to be used for carrying out the provisions of this subchapter.
16

17 SECTION 9. Arkansas Code § 2-16-104(b) and (c), concerning the
18 disposition of funds collected by the State Plant Board, are amended to read
19 as follows:

20 (b) Upon receipt of the funds, the Treasurer of State shall, after
21 deducting therefrom the collection charge authorized by law, credit the net
22 amount to the credit of the State Plant Board Fund to be used for the
23 maintenance, operation, and improvement of the board.

24 (c) All fees, fines, penalties, moneys, and funds arising from all
25 sources resulting from the enforcement, operation, investigation,
26 application, and administration of the laws under the jurisdiction of the
27 Arkansas Bureau of Standards of the ~~State Plant Board~~ Department of
28 Agriculture and the sale of property resulting from said purposes, and all
29 moneys, grants, and other sources of funding procured for the bureau, shall
30 be deposited into the State Plant Board Fund, or any successor fund, to be
31 used solely for the maintenance, operation, and improvement of the bureau.
32

33 SECTION 10. Arkansas Code § 2-16-105(c)(2), concerning the Fire Ant
34 Poison Cost Sharing Program, is amended to read as follows:

35 (2) The moneys generated from the sale of fire ant poison
36 chemicals and received by the board from the University of Arkansas

1 Cooperative Extension Service shall be deposited into the State Treasury to
2 the credit of the State Plant Board Fund as a nonrevenue receipt refund to
3 expenditure, there to be used by the board to purchase additional fire ant
4 poison chemicals for distribution to the various counties of the state for
5 fire ant control.

6
7 SECTION 11. Arkansas Code § 2-16-108(b)(1), concerning the State Plant
8 Board Operations and Facilities Construction Fund, is amended to read as
9 follows:

10 (b)(1) There is created in accordance with §§ ~~19-4-801—19-4-803, 19-~~
11 ~~4-805, and 19-4-806~~ 19-4-801 – 19-4-805 and the Revenue Classification Law, §
12 ~~19-6-101~~ 19-40-101 et seq., a cash fund entitled the State Plant Board
13 Operations and Facilities Construction Fund, which shall be maintained in
14 such depository bank or banks as may be designated from time to time by the
15 board.

16
17 SECTION 12. Arkansas Code § 2-16-108(b)(2)(A), concerning the State
18 Plant Board Operations and Facilities Construction Fund, is amended to read
19 as follows:

20 (2)(A) The first two hundred thousand dollars (\$200,000) in each
21 fiscal year of all fees, interest, ~~penalties~~ penalties, and costs collected
22 by the board that constitute the special revenues specified in § ~~19-6-301(51)~~
23 19-42-201(51) and all income, interest, and earnings thereof are declared to
24 be cash funds to be used solely for paying the cost of operations and
25 maintenance of the board and the financing of the acquisition, construction,
26 and maintenance of facilities for the board's operations, including any
27 additions, extensions, and improvements thereto, the renovation thereof, and
28 the equipping of such facilities.

29
30 SECTION 13. Arkansas Code § 2-16-108(d), concerning the State Plant
31 Board Operations and Facilities Construction Fund, is amended to read as
32 follows:

33 (d) On July 30, 1999, all moneys then held in the State Plant Board
34 Fund created by § ~~19-6-408~~ 19-43-207 that were derived from the special
35 revenues described in subdivision (b)(2)(A) of this section shall be
36 transferred to the State Plant Board Operations and Facilities Construction

1 Fund, except that the amount transferred shall not exceed the maximum amount
2 provided in subdivision (b)(2)(A) of this section.

3
4 SECTION 14. Arkansas Code § 2-16-203(b)(4)(B)(i), concerning the
5 penalty for violations of the Arkansas Plant Act of 1917, is amended to read
6 as follows:

7 (B)(i) Except as provided under subsection (c) of this
8 section, sums collected under special revenue programs shall be deposited
9 into the State Plant Board Fund.

10
11 SECTION 15. Arkansas Code § 2-17-238 is amended to read as follows:
12 2-17-238. Disposition of revenues.

13 All revenues collected under the provisions of this subchapter by the
14 State Plant Board shall be deposited into the State Plant Board Fund to be
15 used for the maintenance, operation, support, and improvement of the board.
16

17 SECTION 16. Arkansas Code § 2-19-202(c)(1)(B), concerning fertilizer
18 brand registration and facility licensing fees, is amended to read as
19 follows:

20 (B) The fees shall be deposited into the State Plant Board
21 Fund of the State Treasury.
22

23 SECTION 17. Arkansas Code § 2-19-206(b)(2), concerning the penalty for
24 deficiency from guaranteed analysis for fertilizer, is amended to read as
25 follows:

26 (2) The value of the deficiencies, if any, exceeding the actual
27 shortages, and the actual value of the shortages when the consumer cannot be
28 found, shall be paid to the department within forty-five (45) days after the
29 date of notice from the department to the manufacturer or his or her agent
30 and shall be deposited into the State Plant Board Fund of the State Treasury.
31

32 SECTION 18. Arkansas Code § 2-19-209(a)(2)(B)(i), concerning the
33 distribution of fees accompanying tonnage reports by manufacturers and
34 manipulators or agents, is amended to read as follows:

35 (i) Sixty-two cents (62¢) of the two-dollar-and-
36 forty-cent fee per ton or fractional ton inspected shall be deposited with

1 the Treasurer of State as special revenues and shall be credited to the State
2 Plant Board Fund to be used for the maintenance, operation, support, and
3 improvement of the State Plant Board programs; and
4

5 SECTION 19. Arkansas Code § 2-19-209(b)(3), concerning tonnage reports
6 by manufacturers and manipulators or agents, is amended to read as follows:

7 (3) For a late report or for failure to report the entire amount
8 sold, the tonnage fee on the late reported or unreported amount shall be
9 enhanced by ten percent (10%) if less than fifteen (15) days late, twenty
10 percent (20%) if less than thirty-one (31) days late, and doubled if more
11 than thirty (30) days late. Penalties shall be deposited into the State Plant
12 Board Fund; otherwise, registrations may be cancelled by the State Plant
13 Board.
14

15 SECTION 20. Arkansas Code § 2-19-305(b)(2), concerning the penalty for
16 deficiency from guaranteed analysis for liming material, is amended to read
17 as follows:

18 (2) The value of the deficiencies exceeding the actual shortages
19 and the actual value of the shortages when the consumer cannot be found shall
20 be paid to the board within forty-five (45) days after the date of notice
21 from the board to the manufacturer, importer, or guarantor and shall be
22 deposited into the State Plant Board Fund of the State Treasury.
23

24 SECTION 21. Arkansas Code § 2-19-307(b)(3), concerning the quarterly
25 tonnage reports for manufacturers, importers, and other guarantors, is
26 amended to read as follows:

27 (3) For a late report or for failure to report the entire amount
28 sold, the tonnage fee on the late report or unreported amount shall be
29 doubled, and penalties shall be deposited into the State Plant Board Fund;
30 otherwise, registrations may be cancelled by the State Plant Board.
31

32 SECTION 22. Arkansas Code § 2-23-102(b)(2), concerning the filing fee
33 for defective seed claims, is amended to read as follows:

34 (2) This fee shall be deposited into the State Plant Board Fund
35 in the State Treasury and may be used by the director to offset expenses of
36 the investigation.

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SECTION 23. Arkansas Code § 2-32-505(a), concerning the disposition of fees and penalties collected in relation to livestock, is amended to read as follows:

(a) Fees paid and penalties collected under this subtitle shall be deposited into the State Treasury as special revenues credited to the Arkansas Livestock and Poultry Commission Disease and Pest Control Fund.

SECTION 24. Arkansas Code § 2-33-113 is amended to read as follows:
2-33-113. Disposition of fees and revenues.

All fees and revenues collected by the Arkansas Livestock and Poultry Commission shall be deposited into the State Treasury as special revenues to be credited to the Arkansas Livestock and Poultry Commission Disease and Pest Control Fund.

SECTION 25. Arkansas Code § 2-37-104(b)(1), concerning registration and licensing under the Arkansas Feed Law of 1997, is amended to read as follows:

(b)(1) A person who is required to obtain a license shall submit an application on a form provided or approved by the State Plant Board accompanied by a license fee of ten dollars (\$10.00) paid to the board for each facility. The board shall remit such license fees to the Treasurer of State for deposit into the State Treasury to the credit of the State Plant Board Fund for the sole use of the board.

SECTION 26. Arkansas Code § 2-37-104(f), concerning registration and licensing under the Arkansas Feed Law of 1997, is amended to read as follows:

(f) In order to be exempt from the provisions of this chapter, integrated operators, as defined in § 2-37-103, shall submit an application for exemption on a form provided or approved by the board accompanied by an application fee of ten dollars (\$10.00) for each facility. The board shall remit such application fees to the Treasurer of State for deposit into the State Treasury to the credit of the State Plant Board Fund to be used solely by the board.

SECTION 27. Arkansas Code § 2-40-1201(c), concerning fees and the

1 disposition of funds related to the pseudorabies control and eradication
2 program, is amended to read as follows:

3 (c) After deducting three percent (3%) for credit to the
4 Constitutional Officers Fund and the State Central Services Fund, the
5 remainder of funds so remitted to the secretary shall be deposited into the
6 State Treasury as special revenues and credited to the Arkansas Livestock and
7 Poultry Commission Swine Testing Fund.

8

9 SECTION 28. Arkansas Code § 2-40-206(b)(2)(A) and (B), concerning
10 funding of the bovine disease program, are amended to read as follows:

11 (2)(A) After deducting three percent (3%) for credit to the
12 Constitutional Officers Fund and the State Central Services Fund, the
13 remainder of funds so remitted to the Secretary of the Department of Finance
14 and Administration shall be deposited into the State Treasury as special
15 revenues and credited to the Arkansas Livestock and Poultry Commission
16 Disease and Pest Control Fund.

17 (B) Before the close of each fiscal year, the Chief Fiscal
18 Officer of the State shall determine the amount of funds which will remain at
19 the end of the fiscal year in the Arkansas Livestock and Poultry Commission
20 Disease and Pest Control Fund from fees collected under the provisions of
21 this section. He or she shall allow such funds to be carried forward and made
22 available for the same purposes in the next-succeeding fiscal year.

23

24 SECTION 29. Arkansas Code § 3-3-314(d)(2), concerning the use of funds
25 derived from the sale of confiscated beverages, is amended to read as
26 follows:

27 (2) Fifty percent (50%) thereof as general revenues in the State
28 Treasury to the credit of the State Apportionment Fund. There the funds shall
29 be allocated and distributed to the various funds, fund accounts, and
30 accounts participating in general revenues in the respective proportions to
31 each as provided by law and shall be used for the respective purposes set
32 forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

33

34 SECTION 30. Arkansas Code § 3-4-501(c)(2), concerning alcoholic
35 beverage permit and license fees, is amended to read as follows:

36 (2) The Treasurer of State shall allocate and transfer the

1 amounts to the various State Treasury funds participating in general revenues
2 in the respective proportions to each as provided by and to be used for the
3 respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~
4 19-20-101 et seq.

5
6 SECTION 31. Arkansas Code § 3-5-224 is amended to read as follows:

7 3-5-224. Disposition of funds.

8 All permits or license fees or taxes, penalties, fines, proceeds of all
9 forfeitures, special inspection fees, and costs received by the Secretary of
10 the Department of Finance and Administration under the provisions of this
11 subchapter shall be general revenues and shall be deposited in the State
12 Treasury to the credit of the State Apportionment Fund. The Treasurer of
13 State shall allocate and transfer those revenues to the various State
14 Treasury funds participating in general revenues in the respective
15 proportions to each as provided by and to be used for the respective purposes
16 set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

17
18 SECTION 32. Arkansas Code § 3-5-908 is amended to read as follows:

19 3-5-908. Arkansas Agricultural Marketing Grants Fund.

20 There is established on the books of the Treasurer of State, the
21 Auditor of State, and the Chief Fiscal Officer of the State the Arkansas
22 Agricultural Marketing Grants Fund, into which shall be paid the fees
23 specified by § ~~19-6-839(b)~~ 19-43-311(b) and such moneys as may be provided by
24 law to be used for making payments of grants to eligible Arkansas wineries
25 under this subchapter.

26
27 SECTION 33. Arkansas Code § 3-5-1708(b), concerning the disposition of
28 funds received under the Direct Shipment of Vinous Liquor Act, is amended to
29 read as follows:

30 (b) The Treasurer of State shall allocate and transfer those revenues
31 to the various State Treasury funds participating in general revenues in the
32 respective proportions to each as provided by and to be used for the
33 respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~
34 19-20-101 et seq.

35
36 SECTION 34. Arkansas Code § 3-6-106(b), concerning the collection of

1 fees and taxes under the Native Brandy Law, is amended to read as follows:

2 (b) The permit fees and taxes shall be deposited into the State
3 Treasury as general revenues to the credit of the State Apportionment Fund,
4 there to be allocated to the various funds, fund accounts, and accounts
5 participating in general revenues in the respective proportions to each as
6 provided by law and be used for the respective purposes set forth in the
7 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

8

9 SECTION 35. Arkansas Code § 3-7-111(a)(4), concerning additional taxes
10 on alcoholic beverages, is amended to read as follows:

11 (4) All additional permit fees and taxes levied by subdivisions
12 (a)(1)(A)-(D) of this section shall be deposited into the State Treasury as
13 general revenues and credited to the State Apportionment Fund. These amounts
14 shall be allocated and transferred to the various funds, fund accounts, and
15 accounts participating in general revenues in the respective proportions to
16 each as provided by law and shall be used for the respective purposes set
17 forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

18

19 SECTION 36. Arkansas Code § 3-7-111(b)(3), concerning additional taxes
20 on alcoholic beverages, is amended to read as follows:

21 (3) All taxes, penalties, fines, and costs received by the
22 Secretary of the Department of Finance and Administration under the
23 provisions of this subsection shall be deposited into the State Treasury as
24 general revenues to the credit of the State Apportionment Fund. There those
25 amounts shall be allocated to the various funds, fund accounts, and accounts
26 participating in general revenues in the respective proportions to each as
27 provided by law and shall be used for the respective purposes set forth in
28 the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

29

30 SECTION 37. Arkansas Code § 3-7-205 is amended to read as follows:

31 3-7-205. Disposition of funds.

32 All taxes, interest, penalties, and costs received by the Secretary of
33 the Department of Finance and Administration under the provisions of this
34 subchapter shall be general revenues and shall be deposited in the State
35 Treasury to the credit of the State Apportionment Fund. The Treasurer of
36 State shall allocate and transfer the revenues to the various State Treasury

1 funds participating in general revenues in the respective proportions to each
2 as provided by and to be used for the respective purposes set forth in the
3 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

4
5 SECTION 38. Arkansas Code § 3-7-506(c), concerning native wines, is
6 amended to read as follows:

7 (c) All such gallonage tax shall continue to be general revenues and
8 shall be deposited into the State Treasury and shall be credited to the
9 respective funds and used for the respective purposes provided in the Revenue
10 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

11
12 SECTION 39. Arkansas Code § 3-9-237 is amended to read as follows:

13 3-9-237. Disposition of funds.

14 All permit fees and supplemental gross receipts taxes collected for the
15 state pursuant to this subchapter shall be remitted monthly to the Treasurer
16 of State as general revenues and be credited to the State Apportionment Fund.
17 There the fees and taxes shall be allocated and transferred to the various
18 funds, fund accounts, and accounts participating in general revenues in the
19 respective proportions to each as provided by, and shall be used for the
20 respective purposes set forth in, the Revenue Stabilization Law, § ~~19-5-101~~
21 19-20-101 et seq.

22
23 SECTION 40. Arkansas Code § 3-9-301(3)(C), concerning the definition
24 of "license" to be used in relation to the on-premises consumption of wine,
25 is amended to read as follows:

26 (C) All moneys derived from the annual fees shall be
27 deposited into the State Treasury as general revenues to the credit of the
28 State Apportionment Fund, to be allocated and transferred to the various
29 funds, fund accounts, and accounts participating in general revenues in the
30 respective proportions to each as provided by law, and to be used for the
31 respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~
32 19-20-101 et seq.;

33
34 SECTION 41. Arkansas Code § 4-18-323(c)(3), concerning civil penalties
35 under the Uniform Weights and Measures Law, is amended to read as follows:

36 (3) Any civil penalty collected under this section shall be

1 transmitted to the State Plant Board Fund.

2
3 SECTION 42. Arkansas Code § 4-18-329(c), concerning the fees for tests
4 or inspections under the Uniform Weights and Measures Law, is amended to read
5 as follows:

6 (c) Funds collected under this section shall be deposited into the
7 State Treasury as special revenue credited to the State Plant Board Fund to
8 be used exclusively for the maintenance of facilities and equipment of the
9 bureau.

10
11 SECTION 43. Arkansas Code § 4-28-415 is amended to read as follows:
12 4-28-415. Disposition of fees.

13 All registration fees collected by the Secretary of State under this
14 subchapter shall be deposited into the State Treasury, and the Treasurer of
15 State shall credit them as general revenues to the various funds in the
16 respective amounts to each and to be used as provided in the Revenue
17 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

18
19 SECTION 44. Arkansas Code § 4-35-301(b)(3)(B), concerning the issuance
20 of bonds under the Water Authority Act, is amended to read as follows:

21 (B) The provisions of the Revenue Bond Act of 1987, § ~~19-~~
22 ~~9-601~~ 19-6-601 et seq., do not apply to this section.

23
24 SECTION 45. Arkansas Code § 4-108-208(c)(3), concerning civil
25 penalties under the Engine Fuels, Petroleum Products, and Automotive
26 Lubricants Inspection Act of 2001, is amended to read as follows:

27 (3) Any civil penalty collected under this section shall be
28 transmitted to the State Plant Board Fund.

29
30 SECTION 46. Arkansas Code § 5-4-617(m), concerning the method of
31 execution for capital murder, is amended to read as follows:

32 (m) Every person that procures, prepares, administers, monitors, or
33 supervises the injection of a drug or drugs under this section has immunity
34 under § ~~19-10-305~~ 25-44-305.

35
36 SECTION 47. Arkansas Code § 5-4-703(b)(1), concerning the additional

1 fine levied for committing an offense against a child or in the presence of a
2 child, is amended to read as follows:

3 (b)(1) A fine assessed and collected under this section shall be
4 remitted on or before the fifteenth day of the following month to the
5 Arkansas Children's Advocacy Center Fund under § ~~19-5-1260~~ 19-27-315.

6
7 SECTION 48. Arkansas Code § 5-64-505(i)(2)(A)(iv), concerning the drug
8 control fund and the disposition of moneys received from the sale of property
9 subject to forfeiture, is amended to read as follows:

10 (iv) Moneys in the drug control fund are
11 appropriated on a continuing basis and are not subject to the Revenue
12 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

13
14 SECTION 49. Arkansas Code § 5-64-505(i)(3)(C), concerning the Special
15 State Assets Forfeiture Fund and the disposition of moneys received from the
16 sale of property subject to forfeiture, is amended to read as follows:

17 (C) The Special State Assets Forfeiture Fund is not
18 subject to the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-
19 101 et seq., or the Special Revenue Fund Account ~~of the State Apportionment~~
20 ~~Fund~~, § ~~19-5-203(b)(2)(A)~~ 19-21-103(b)(2)(A).

21
22 SECTION 50. Arkansas Code § 5-65-119(a)(2)(C), concerning the
23 distribution of the fee for reinstating a driving privilege that was
24 suspended or revoked, is amended to read as follows:

25 (C) Ten percent (10%) of the revenues derived from this
26 fee shall be deposited into the State Treasury, and the Treasurer of State
27 shall credit them as general revenues to the various funds in the respective
28 amounts to each and to be used for the purposes as provided in the Revenue
29 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

30
31 SECTION 51. Arkansas Code § 6-1-101(b), concerning the required audit
32 of a publicly funded educational institution, is amended to read as follows:

33 (b) Any statutorily required audit of an educational institution
34 performed by an independent accountant shall include, as a minimum and as an
35 integral part of the annual financial report, a review and comments on
36 substantial compliance with each of the following:

1 (1) Management letter for audit of political subdivisions, §§
2 14-75-101 – 14-75-104;

3 (2) Compliance with ethical guidelines and prohibitions for
4 board members, administrators, and employees, § 6-13-628 and § 6-24-101 et
5 seq.;

6 (3) School elections, § 6-14-118;

7 (4) Management of schools, §§ 6-13-617 – 6-13-620 and 6-13-701;

8 (5) Revolving Loan Fund, §§ 6-19-114, 6-20-801, and 6-20-802;

9 (6) School district finances, §§ 6-20-402 and 6-20-409;

10 (7) School district school bonds, §§ 6-20-1208 and 6-20-1210;

11 (8) Teachers and employees, §§ 6-17-201, 6-17-203 – 6-17-206, 6-
12 17-301, and 6-17-401;

13 (9) Teachers' salaries, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-
14 911 – 6-17-913, 6-17-918, and 6-17-919, and the Public School Funding Act of
15 2003, § 6-20-2301 et seq.;

16 (10) Deposit of funds, §§ ~~19-8-104 and 19-8-106~~ 19-5-104 and 19-
17 5-106;

18 (11) Investment of funds, § ~~19-1-504~~ 19-1-404; and

19 (12) Improvement contracts, §§ 22-9-201 – 22-9-205.

20
21 SECTION 52. Arkansas Code § 6-5-301(a)(2), concerning the creation and
22 funding of the Educational Excellence Trust Fund, is amended to read as
23 follows:

24 (2) For each of the state's fiscal years, the Chief Fiscal
25 Officer of the State shall determine as an annual allocation for this fund an
26 amount based on the total net general revenues as enumerated in § ~~19-6-201(1)~~
27 ~~and (2)~~ 19-41-201(1) and (2), which were collected in the immediate past
28 year, times a factor of 0.1414.

29
30 SECTION 53. Arkansas Code § 6-5-301(b)(2), concerning the creation and
31 funding of the Educational Excellence Trust Fund, is amended to read as
32 follows:

33 (2) The Treasurer of State shall make such transfer after making
34 the deductions required from the net general revenues as set out in § ~~19-5-~~
35 ~~202(b)(2)(B)(i)~~ 19-21-102(b)(2)(B)(i).

36

1 SECTION 54. Arkansas Code § 6-16-1001 is amended to read as follows:
2 6-16-1001. Kids-For-Health program established.

3 The Department of Health shall use moneys from the Tobacco Settlement
4 Proceeds Act, § ~~19-12-101~~ 19-90-101 et seq., to establish a Kids-For-Health
5 program.

6
7 SECTION 55. Arkansas Code § 6-17-911(c)(1), concerning the effect of
8 failure to make records and settlements under The Arkansas Teachers' Salary
9 Law, is amended to read as follows:

10 (c)(1) If such delinquent settlement is not made within two (2) weeks,
11 the Treasurer of State shall withhold the monthly distribution of county aid
12 provided for under § ~~19-5-602(b)~~ 19-25-102(b) upon notification from the
13 secretary that the county has failed to make such settlement.

14
15 SECTION 56. Arkansas Code § 6-18-2307(c)(2)(B)(i), concerning the
16 duties of the Department of Finance and Administration and the Division of
17 Elementary and Secondary Education, is amended to read as follows:

18 (B)(i) The Division of Elementary and Secondary Education
19 shall transmit all gifts, grants, or donations received under subdivision
20 (c)(2)(A) of this section to the Treasurer of State, who shall credit the
21 received gifts, grants, or donations received by the Division of Elementary
22 and Secondary Education to the Philanthropic Investment in Arkansas Kids
23 Academic Accountability Fund under § ~~19-5-1275~~ 19-27-329.

24
25 SECTION 57. Arkansas Code § 6-20-225 is amended to read as follows:
26 6-20-225. Loan or transfer repayment.

27 Notwithstanding the provisions of § ~~19-5-501~~ 19-24-101 et seq., or any
28 law to the contrary, up to two million dollars (\$2,000,000) received by the
29 Public School Fund from the Budget Stabilization Trust Fund either by loan or
30 transfer during the 1996-1997 fiscal year, shall be repaid from time to time
31 by transfer by the Treasurer of State from either the Public School Support
32 Fund [repealed] or the Public School Fund, or its appropriate fund account,
33 solely from revenues generated by the income tax surcharge levied by § 6-20-
34 312(c) [repealed] after the provisions of § 19-6-481(b) [repealed] have been
35 achieved.

36

1 SECTION 58. Arkansas Code § 6-20-405(a)(2)(A), concerning energy
2 savings contracts, is amended to read as follows:

3 (2)(A) "Qualified provider" means the same as defined in § ~~19-~~
4 ~~11-1202~~ 19-68-102.

5
6 SECTION 59. Arkansas Code § 6-20-405(f), concerning energy savings
7 contracts, is amended to read as follows:

8 (f) A school district may provide by resolution that the school
9 district shall comply with the rules promulgated by the Arkansas Pollution
10 Control and Ecology Commission under the Guaranteed Energy Cost Savings Act,
11 § ~~19-11-1201~~ 19-68-101 et seq.

12
13 SECTION 60. Arkansas Code § 6-20-1017(c), concerning the purchase of
14 bonds and certificates by the Treasurer of State, is amended to read as
15 follows:

16 (c) The moneys that the Treasurer of State may use in the purchase of
17 any revolving loan bonds or revolving loan certificates of indebtedness shall
18 be those funds available for investment under the provisions of the State
19 Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

20
21 SECTION 61. The introductory language of Arkansas Code § 6-20-
22 2202(g)(1), concerning the budget and expenditure report required for school
23 districts, open-enrollment public charter schools, and education service
24 cooperatives, is amended to read as follows:

25 (g)(1) The Treasurer of State shall withhold the monthly distribution
26 of county aid provided under § ~~19-5-602(e)~~ 19-25-102(c) from any county whose
27 county official who is the preparer of the tax books fails to provide by
28 March 15 of each calendar year information concerning the annual abstract of
29 assessment that reflects the aggregate value of the real and personal
30 property for each school district located wholly or in part in the county as
31 follows:

32
33 SECTION 62. Arkansas Code § 6-20-2602(6), concerning the definitions
34 to be used under the Arkansas Public School Academic Facilities Financing Act
35 of 2007, is amended to read as follows:

36 (6) "General revenues of the state" means the revenues described

1 and enumerated in § ~~19-6-201~~ 19-41-201 of the Revenue Classification Law, §
2 ~~19-6-101~~ 19-40-101 et seq., or in any successor law;

3
4 SECTION 63. Arkansas Code § 6-20-2603(c)(2)(A), concerning the duties
5 of the Governor upon receipt of the written plan submitted by the Commission
6 for Arkansas Public School Academic Facilities and Transportation before
7 issuing bonds, is amended to read as follows:

8 (A) Confer with the Chief Fiscal Officer of the State
9 concerning whether the annual amount of general revenue funds required to be
10 set aside from the general revenues of the state under the Revenue
11 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service
12 requirements in connection with the bonds during either year of the fiscal
13 biennium in which the bonds are to be issued would require moneys from the
14 general revenues of the state that would work undue hardship upon any agency
15 or program supported from the general revenues of the state under the
16 provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

17 and

18
19 SECTION 64. Arkansas Code § 6-23-901 is amended to read as follows:

20 6-23-901. Open-Enrollment Public Charter School Facilities Loan Fund –
21 Established.

22 Beginning with the 2013-2014 school year, the Open-Enrollment Public
23 Charter School Facilities Loan Fund is established under § ~~19-5-1251~~ 19-27-
24 306 to provide funding for safe and secure facilities in which to conduct
25 educational services and administrative activities for open-enrollment public
26 charter schools.

27
28 SECTION 65. Arkansas Code § 6-28-206(a), concerning immunity from suit
29 for state officials and state employees under the Arkansas Military Child
30 School Transitions Act of 2021, is amended to read as follows:

31 (a) This chapter shall not affect the immunity from suit granted to
32 state officials and state employees under § ~~19-10-305~~ 25-44-305 or to the
33 state and its official agencies under Arkansas Constitution, Article 5, § 20.

34
35 SECTION 66. Arkansas Code § 6-42-307(c), concerning the School for
36 Math, Sciences, and Arts Fund, is amended to read as follows:

1 (c) The fund shall consist of moneys allocated and transferred from
2 the Educational Excellence Trust Fund, any general revenues as may be
3 provided by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and
4 any other moneys as may be authorized by law.

5
6 SECTION 67. Arkansas Code § 6-51-1103(a), concerning purchases by
7 Crowley's Ridge Technical Institute, is amended to read as follows:

8 (a) Upon the vote of the Board of Directors of Crowley's Ridge
9 Technical Institute to merge with East Arkansas Community College under § 6-
10 51-1101(a)(1)(A) and before the effective date of a merger under § 6-51-
11 1101(a)(2):

12 (1) Purchases by Crowley's Ridge Technical Institute shall be
13 made under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.; and

14 (2) Purchases by East Arkansas Community College may continue to
15 be made under procedures that were applicable to East Arkansas Community
16 College.

17
18 SECTION 68. Arkansas Code § 6-53-207(a), concerning capital outlays of
19 institutions within the Arkansas Technical and Community College System, is
20 amended to read as follows:

21 (a) Unless exempted under the provisions of § ~~19-4-522~~ 19-4-513, any
22 expenditure of State Treasury funds for capital outlay expenses or
23 construction costs, as set forth in § ~~19-4-524~~ 19-4-515, of an institution
24 within the Arkansas Technical and Community College ~~system~~ System shall be
25 subject to the prior approval of the General Assembly upon the recommendation
26 of the Arkansas Higher Education Coordinating Board.

27
28 SECTION 69. Arkansas Code § 6-59-111 is amended to read as follows:

29 6-59-111. Funding for salary equity.

30 In that funding for and achievement of salary equity among employees of
31 Arkansas Northeastern College is essential for the successful merger of
32 Cotton Boll Technical Institute into Arkansas Northeastern College, this
33 chapter declares the importance of the provision through the Revenue
34 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for salary equity in
35 addition to incremental funding increases comparable to other institutions of
36 higher education.

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SECTION 70. Arkansas Code § 6-62-314 is amended to read as follows:

6-62-314. Construction project exemption.

The following state-supported institutions of higher education shall be exempt as allowed by § ~~19-4-1415(b)(5)~~ 19-4-1413(b)(5) for construction projects exceeding five million dollars (\$5,000,000) if they have adopted policies and procedures in compliance with state law involving the awarding and oversight of the contracts for design and construction services:

- (1) Henderson State University;
- (2) Southern Arkansas University;
- (3) University of Central Arkansas;
- (4) National Park College;
- (5) Northwest Arkansas Community College; and
- (6) Arkansas Tech University.

SECTION 71. Arkansas Code § 6-62-709(b), concerning the duties of the Arkansas Higher Education Coordinating Board and the Arkansas Development Finance Authority with respect to issuing bonds under the Arkansas College Savings Bond Act of 1989, is amended to read as follows:

(b) Upon receipt thereof, the Governor shall confer with the Chief Fiscal Officer of the State concerning the amount available in the state General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, which funds shall be used to defray the debt service requirements in amounts as are determined to be available. The Chief Fiscal Officer of the State shall then determine whether the annual amount of general revenue funds required to be set aside from the net general revenue as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of the remaining debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued, would work undue hardship upon any agency or program supported from general revenues under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 72. Arkansas Code § 6-62-718(b), concerning general obligation bonds under the Arkansas College Savings Bond Act of 1989, is amended to read as follows:

1 (b) The bonds shall be payable from the general revenues of the state
2 as such term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-
3 101 et seq., and such amount of general revenues as is necessary is hereby
4 pledged to the payment of debt service on the bonds and shall be and remain
5 pledged for such purposes.

6
7 SECTION 73. Arkansas Code § 6-62-719(a) and (b), concerning the
8 payment of bonds under the Arkansas College Savings Bond Act of 1989, are
9 amended to read as follows:

10 (a) On or before the commencement of each fiscal year, the Chief
11 Fiscal Officer of the State shall determine the estimated amount required for
12 payment of all or a part of debt service on the bonds issued under this
13 subchapter during such fiscal year, after making deductions therefrom of
14 estimated moneys to be available to the authority from other sources therefor
15 and making the necessary transfer of such moneys, and shall certify such
16 estimated amount to the Treasurer of State, who shall make monthly transfers
17 from the State Apportionment Fund to the bond fund to provide for payment of
18 all or part of the debt service on the bonds issued under this subchapter, of
19 such amount of net general revenue as such term is defined in the Revenue
20 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., as shall be required to pay
21 the maturing debt service on bonds issued under this subchapter.

22 (b)(1) The Treasurer of State shall make such additional monthly
23 transfer or transfers of net general revenue as the Chief Fiscal Officer of
24 the State shall certify to him or her as being required to enable the
25 Arkansas ~~Development~~ Development Finance Authority to establish and thereafter
26 maintain a debt service reserve fund, to provide a reserve or reserves for
27 payment of debt service on the bonds.

28 (2)(A) The obligation to make monthly transfers of net general
29 revenue from the State Apportionment Fund to the bond fund and to the debt
30 service reserve fund shall constitute a first charge against said net general
31 revenue prior to all other uses to which said net general revenue are
32 devoted, either under present law or under any laws that may be enacted in
33 the future;

34 (B) Provided, however, that, to the extent other general
35 obligation bonds of the state may subsequently be incurred, all such general
36 obligation bonds shall rank on a priority of security with respect to payment

1 from net general revenue.

2

3 SECTION 74. Arkansas Code § 6-62-1103(6), concerning the definitions
4 used under the Arkansas Higher Education Technology and Facility Improvement
5 Act of 2005, is amended to read as follows:

6 (6) "General revenues" means the general revenues defined in §
7 ~~19-6-201~~ 19-41-201;

8

9 SECTION 75. Arkansas Code § 6-62-1104(b)(2), concerning the power and
10 duties of the Arkansas Higher Education Coordinating Board under the Arkansas
11 Higher Education Technology and Facility Improvement Act of 2005, is amended
12 to read as follows:

13 (2) The Chief Fiscal Officer of the State shall determine
14 whether the annual amount of the net general revenues required to be set
15 aside from general revenues for payment of the remaining debt service
16 requirements in connection with the bonds to be issued under this subchapter
17 during either year of the fiscal biennium in which the bonds are to be issued
18 would work undue hardship upon any agency or program supported from general
19 revenues under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~
20 19-20-101 et seq.

21

22 SECTION 76. Arkansas Code § 6-62-1202(a), concerning loans made under
23 the Sustainable Building Maintenance Program for State-Supported Institutions
24 of Higher Education, is amended to read as follows:

25 (a) Under the Sustainable Building Maintenance Program for State-
26 Supported Institutions of Higher Education, the Division of Higher Education
27 may authorize money to be loaned from the Sustainable Building Maintenance
28 Program for State-Supported Institutions of Higher Education Revolving Loan
29 Fund, § ~~19-5-1285~~ 19-27-339, to a state-supported institution of higher
30 education.

31

32 SECTION 77. Arkansas Code § 6-63-302 is amended to read as follows:

33 6-63-302. Applicability of subchapter – Other fiscal laws not
34 superseded.

35 The provisions of this subchapter shall be applicable to all publicly
36 supported institutions of higher education in this state and shall not

1 supersede the provisions of the General Accounting and Budgetary Procedures
2 Law, § 19-4-101 et seq., the Uniform Classification and Compensation Act, §
3 21-5-201 et seq., the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et
4 seq., or other fiscal control laws of this state, and their successors.

5
6 SECTION 78. Arkansas Code § 6-63-317(c)(1) and (2), concerning regular
7 salary procedures and restrictions under the Higher Education Expenditure
8 Restriction Act, are amended to read as follows:

9 (c)(1) New funding through the Revenue Stabilization Law, § ~~19-5-101~~
10 19-20-101 et seq., that is determined by the Division of Higher Education to
11 have been for salary increases for the current fiscal year for institutions
12 of higher education shall be used exclusively for salary increases.

13 (2) New funding through the Revenue Stabilization Law, § ~~19-5-~~
14 ~~101~~ 19-20-101 et seq., that is actually received for salary increases shall
15 be spent exclusively for salary increases based upon the state general
16 revenue portion of total unrestricted educational and general revenue.

17
18 SECTION 79. Arkansas Code § 6-81-201(b)(2), concerning the
19 administration of student loan provisions of federal laws, is amended to read
20 as follows:

21 (2) The foundation is not a state agency and therefore is not
22 subject to the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., to
23 the Arkansas Administrative Procedure Act, § 25-15-201 et seq., or to other
24 enactments of the General Assembly which are applicable to state agencies.
25 Therefore, the foundation is not required to deposit into the State Treasury
26 any federal funds or other funds received by it.

27
28 SECTION 80. Arkansas Code § 6-82-2001(d), concerning the Graduate
29 Medical Education Residency Expansion Board, is amended to read as follows:

30 (d) The Division of Higher Education shall administer the Graduate
31 Medical Education Fund under § ~~19-5-1265~~ 19-27-319 and disburse the funds at
32 the direction of the Graduate Medical Education Residency Expansion Board
33 under this subchapter.

34
35 SECTION 81. Arkansas Code § 7-4-115 is amended to read as follows:

36 7-4-115. Legislative intent.

1 Due to the United States Eighth Circuit Court of Appeals ruling in
2 Jones v. Conway County, Arkansas, 143 F.3d 417 (8th Cir. 1998), the status of
3 county election commissioners as either county officials or state officials
4 has become unclear. Because of this lack of clarity, there has been much
5 confusion as to whether or not county election commissioners should have been
6 or currently are immune from suit under the state's policy of tort immunity.
7 It is the intent of the General Assembly to clarify the official status of
8 county election commissioners. Prior to July 30, 1999, county election
9 commissioners were state officials and, as such, were immune from suit
10 pursuant to Arkansas Constitution, Article 5, § 20, and § ~~19-10-305~~ 25-44-
11 305. Upon July 30, 1999, county election commissioners are hereby deemed to
12 be county officials and are immune from suit pursuant to § 21-9-301.
13

14 SECTION 82. Arkansas Code § 7-5-301(d)(2)(A) and (B), concerning the
15 acquisition, use, and cost of voting systems, are amended to read as follows:

16 (2)(A) The Secretary of State shall establish guidelines and
17 procedures for a grant program to distribute funds from the County Voting
18 System Grant Fund, § ~~19-5-1247~~ 19-27-303.

19 (B) A grant provided to a county from the County Voting
20 System Grant Fund, § ~~19-5-1247~~ 19-27-303, shall be paid into the county
21 treasury to the credit of the voting system grant fund.
22

23 SECTION 83. Arkansas Code § 7-6-217(g), concerning the creation of the
24 Arkansas Ethics Commission, is amended to read as follows:

25 (g) The commission shall have the authority to:

26 (1) Under the Arkansas Administrative Procedure Act, § 25-15-201
27 et seq., promulgate reasonable rules to implement and administer the
28 requirements of this subchapter, as well as § 7-1-114 [repealed]; the
29 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to
30 Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-8-301 et seq.; the
31 Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et
32 seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-
33 901 et seq.; § 21-8-1001 et seq.; § 25-1-125; and Arkansas Constitution,
34 Article 19, §§ 28-30; and to govern procedures before the commission, matters
35 of commission operations, and all investigative and disciplinary procedures
36 and proceedings;

1 (2) Issue advisory opinions and guidelines on the requirements
2 of § 6-24-101 et seq.; § 7-1-103(a)(1)-(4), (6), and (7); § 7-1-114
3 [repealed]; this subchapter; the Disclosure Act for Public Initiatives,
4 Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~
5 19-64-503; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and
6 Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq.,
7 and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125;
8 and Arkansas Constitution, Article 19, §§ 28-30;

9 (3) After a citizen complaint has been submitted to the
10 commission, investigate alleged violations of § 6-24-101 et seq.; § 7-1-
11 103(a)(1)-(4), (6), and (7); § 7-1-114 [repealed]; this subchapter; the
12 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to
13 Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-1-401 et seq.; § 21-8-
14 301 et seq.; the Disclosure Act for Lobbyists and State and Local Officials,
15 § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et
16 seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125; and Arkansas
17 Constitution, Article 19, §§ 28-30; and render findings and disciplinary
18 action thereon;

19 (4) Pursuant to commission investigations, subpoena any person
20 or the books, records, or other documents being held by any person and take
21 sworn statements;

22 (5) Administer oaths for the purpose of taking sworn testimony
23 of witnesses and conduct hearings;

24 (6) Hire a staff and retain legal counsel;

25 (7) Approve forms prepared by the Secretary of State under this
26 subchapter; the Disclosure Act for Public Initiatives, Referenda, and
27 Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-
28 8-301 et seq.; the Disclosure Act for Lobbyists and State and Local
29 Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and §
30 21-8-801 et seq.; § 21-8-901 et seq.; and § 21-8-1001 et seq.; and
31

32 SECTION 84. Arkansas Code § 8-7-509(g)(1), concerning the Hazardous
33 Substance Remedial Action Trust Fund, is amended to read as follows:

34 (g)(1) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-
35 40-108 and 19-45-201, grants to the state under the Resource Conservation and
36 Recovery Act of 1976, 42 U.S.C. § 6901 et seq., and the Comprehensive

1 Environmental Response, Compensation, and Liability Act, Pub. L. No. 96-510,
2 as each may be amended from time to time, and otherwise from the United
3 States Environmental Protection Agency received by the Treasurer of State
4 from the United States Government are declared to be cash funds restricted in
5 their use and dedicated and are to be used solely as authorized in this
6 subchapter and the Arkansas Brownfield Revolving Loan Fund Act, § 15-5-1501
7 et seq.

8

9 SECTION 85. Arkansas Code § 8-7-1311(b), concerning fees under the
10 Phase I Environmental Site Assessment Consultant Act, is amended to read as
11 follows:

12 (b) All fees collected under this subchapter shall be deposited into
13 the Hazardous Waste Permit Fund, § ~~19-6-434~~ 19-43-226.

14

15 SECTION 86. Arkansas Code § 9-27-401(b)(2)(A), concerning the creation
16 of the Division of Dependency-Neglect Representation within the
17 Administrative Office of the Courts, is amended to read as follows:

18 (2)(A) Before employing or entering into a contract or
19 contracts, the office shall consult with the judge or judges of the circuit
20 court designated to hear dependency-neglect cases in their district plan
21 under Supreme Court Administrative Order No. 14, originally issued April 6,
22 2001, in each judicial district in accordance with the provisions of § ~~19-11-~~
23 ~~1001~~ 19-67-101 et seq.

24

25 SECTION 87. Arkansas Code § 9-28-115(c), concerning immunity with
26 respect to child placement services, is amended to read as follows:

27 (c) An approved volunteer who performs home studies without
28 compensation shall have immunity from liability as provided for state
29 officers and employees under § ~~19-10-305~~ 25-44-305. As used in this
30 subsection, "approved volunteer" means a volunteer approved by:

31

(1) The department; and

32

(2) Any organization operating under a memorandum of
33 understanding with the department for the completion of home studies.

34

35 SECTION 88. Arkansas Code § 9-28-1203(a)(2)(C)(ii), concerning
36 requirements for the reinvestment plan developed by the Division of Youth

1 Services to redirect savings realized from a reduction in the number of
2 secure out-of-home placements, is amended to read as follows:

3 (ii) Describe the methods and procedures to redirect
4 savings in state costs from a reduction in the number of secure out-of-home
5 placements through the reallocation of resources under § ~~19-4-522~~ 19-4-513;

6
7 SECTION 89. Arkansas Code Title 10, Chapter 2, Subchapter 1, is
8 amended to add an additional section to read as follows to reenact §§ 19-1-
9 701 and 19-1-702:

10 10-2-135. Fiscal impact statements required for rules – Definition.

11 (a) As used in this subchapter, “fiscal impact statement” means a
12 realistic statement of the purpose of a proposed law, or a rule promulgated
13 under a law, and the estimated financial cost to the state or any local
14 school district of implementing or complying with the proposed law or rule.

15 (b) A fiscal impact statement shall be developed with the guidance of
16 the Office of Economic and Tax Policy of the Bureau of Legislative Research
17 and with the approval of the Division of Elementary and Secondary Education.

18 (c) Thirty-five (35) days prior to the adoption of any rule or other
19 proposal that will impose a new or increased cost obligation for education on
20 the state or any local school district, the board, commission, agency,
21 department, officer, or other authority, excepting the General Assembly and
22 the courts, shall give notice of such rule or proposal and shall file a
23 fiscal impact statement with the Secretary of State and the House Committee
24 on Education and the Senate Committee on Education.

25
26 SECTION 90. Arkansas Code § 10-3-1404(a)(1), concerning the forecast
27 of general revenues, is amended to read as follows:

28 (a)(1) On or before the third Wednesday in May before the beginning of
29 each fiscal year, the Chief Fiscal Officer of the State shall submit to the
30 Joint Committee on Economic and Tax Policy the following forecasts of general
31 revenues to be available under the Revenue Stabilization Law, § ~~19-5-101~~ 19-
32 20-101 et seq.:

33 (A) The official forecast for the upcoming fiscal year,
34 including any revisions necessitated by the revised forecast required under
35 subdivision (a)(1)(B) of this section; and

36 (B) A revised forecast for the current fiscal year.

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SECTION 91. Arkansas Code § 10-4-304(16)-(18), concerning the fiscal management laws within purview of the Arkansas Governmental Compliance Act, are amended to read as follows:

- (16) Sections ~~19-1-401~~ ~~19-1-405~~ 19-1-301 – 19-1-305;
- (17) Sections ~~19-4-101~~ ~~19-4-2004~~ 19-4-101 – 19-4-1904;
- (18) Arkansas Code Title 19, ~~Chapter 11~~ Subtitle 4;

SECTION 92. Arkansas Code § 10-4-410(b)(1), concerning audit costs incurred by Arkansas Legislative Audit, is amended to read as follows:

(b)(1) The administrative cost of auditing political subdivisions of the state shall be paid from the Ad Valorem Tax Fund as prescribed by § ~~19-5-906~~ 19-26-204.

SECTION 93. Arkansas Code § 10-4-412(a)(2), concerning the definitions used with respect to audits of counties and municipalities, is amended to read as follows:

(2) “Turnback funds” means:

- (A) General revenue turnback funds, as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and
- (B) Highway revenue turnback funds, as distributed under § 27-70-207.

SECTION 94. Arkansas Code § 11-9-102(11)(A)(iv), resulting from Initiated Acts 1948, No. 4, § 2, and concerning exceptions to the definition of "employment" under the Workers' Compensation Law, is amended to read as follows:

(iv) The State of Arkansas and each of the political subdivisions thereof except as provided by §§ ~~6-17-1401 – 6-17-1405, 14-26-101 – 14-26-104, 14-60-101 – 14-60-104, 19-10-101 – 19-10-103, 19-10-202 – 19-10-210, 19-10-401 – 19-10-406~~ 11-17-202 – 11-17-208, 25-44-102 – 25-44-104, 25-44-202 – 25-44-210, and 21-5-601 – 21-5-610;

SECTION 95. Arkansas Code § 11-9-301(d), resulting from Initiated Acts 1948, No. 4, § 47, concerning funds established under the Workers' Compensation Law, is amended to read as follows:

1 (d) All incomes derived through investment of the Workers'
2 Compensation Fund, the Second Injury Trust Fund, and the Death and Permanent
3 Total Disability Trust Fund shall be credited, as investment income, to the
4 fund that participated in the investment. For the purpose of investment,
5 Workers' Compensation Fund moneys shall be invested in accordance with the
6 State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

7
8 SECTION 96. Arkansas Code § 11-10-310(f), concerning the Director of
9 the Division of Workforce Services and additional personnel of the Division
10 of Workforce Services, is amended to read as follows:

11 (f) If the division requests continuation of a growth pool position as
12 established under this subsection and subsection (e) of this section, the
13 position shall be requested as a new position in the division's next budget
14 request. Determining the maximum number of employees and the maximum amount
15 of appropriation and general revenue funding for a state agency each fiscal
16 year is the prerogative of the General Assembly. This is usually accomplished
17 by delineating such maximums in the appropriation act or acts for a state
18 agency and the general revenue allocations authorized for each fund and fund
19 account by amendment to the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101
20 et seq. Further, the General Assembly has determined that the division may
21 operate more efficiently if some flexibility is provided to the division
22 authorizing broad powers under this subsection and subsection (e) of this
23 section. Therefore, it is both necessary and appropriate that the General
24 Assembly maintain oversight by requiring prior approval of the Legislative
25 Council or Joint Budget Committee as provided by this subsection and
26 subsection (e) of this section. The requirement of approval by the
27 Legislative Council or Joint Budget Committee is not a severable part of this
28 subsection and subsection (e) of this section. If the requirement of approval
29 by the Legislative Council or Joint Budget Committee is ruled
30 unconstitutional by a court of competent jurisdiction, this entire subsection
31 and subsection (e) of this section are void.

32
33 SECTION 97. Arkansas Code § 11-10-532(a)(3)(C), concerning penalties
34 on fraudulent overpayments under the Division of Workforce Services Law, is
35 amended to read as follows:

36 (C) The portion of the penalty assessed under subdivision

1 (a)(3)(A) of this section in excess of fifteen percent (15%) of the
2 overpayment shall be deposited into a subaccount of the Division of Workforce
3 Services Special Fund under § ~~19-5-984~~ 19-26-268, to be entitled the “UI
4 Integrity Fund” that shall be used exclusively for integrity-related
5 activities arising under this chapter.

6
7 SECTION 98. Arkansas Code § 11-10-708(a)(1)(C), concerning the advance
8 interest tax under the Division of Workforce Services Law, is amended to read
9 as follows:

10 (C) The tax is effective the first month of the quarter
11 following the state’s obtaining an interest-bearing advance and shall remain
12 until the quarter immediately following the repayment of the advancement and
13 the Employment Security Advance Interest Trust Fund, § ~~19-5-935~~ 19-26-227,
14 attains a balance of five million dollars (\$5,000,000).

15
16 SECTION 99. Arkansas Code § 11-10-716(b)(1)(A), concerning the
17 collection of and interest on past due contributions under the Division of
18 Workforce Services Law, is amended to read as follows:

19 (b)(1)(A) At the end of each month, deposits in the Unemployment
20 Compensation Fund Clearing Account which have been established as interest
21 and penalty payments collected pursuant to §§ 11-10-716 – 11-10-723 shall be
22 paid over to the Treasurer of State and credited by him or her to the
23 Division of Workforce Services Special Fund, § ~~19-5-984~~ 19-26-268, created
24 and established in the State Treasury.

25
26 SECTION 100. Arkansas Code § 11-10-802(b)(1)(C), concerning accounts
27 and deposits under the Division of Workforce Services Law, is amended to read
28 as follows:

29 (C) All moneys received in the clearing account as
30 proceeds of § 11-10-706(c) shall be deposited and credited to the Division of
31 Workforce Services Special Fund, § ~~19-5-984~~ 19-26-268, pursuant to § 11-10-
32 716.

33
34 SECTION 101. Arkansas Code Title 11 is amended to add additional
35 chapters to read as follows to reenact §§ 19-5-701 – 19-5-705, §§ 19-5-707 –
36 19-5-710, §§ 19-5-801 – 19-5-804, §§ 19-5-806 – 19-5 809, § 19-10-102(b), §

1 19-10-103, § 19-10-105(1)-(3), § 19-10-401, § 19-10-402, and §§ 19-10-404 –
2 19-10-406:

3 CHAPTER 16

4 PUBLIC EMPLOYEES' UNEMPLOYMENT COMPENSATION

5
6 Subchapter 1 – General Provisions

7
8 Subchapter 2 – Reimbursement of Unemployment Compensation Benefits

9
10 11-16-201. Purpose.

11 It is the purpose of this subchapter that all programs, regardless of
12 their funding source, contribute equally to the cost of unemployment
13 compensation benefits charged to the state agencies operating such programs.
14 It is not the intent of this subchapter that the State of Arkansas relinquish
15 its status as a nontaxable reimbursable employer under the Division of
16 Workforce Services Law, § 11-10-101 et seq.

17
18 11-16-202. Definitions.

19 As used in this subchapter, unless the context otherwise requires:

20 (1) “Contribution” means a percentage of payroll expenditures
21 paid to the Unemployment Compensation Revolving Fund by a state agency in
22 order to provide current and timely reimbursements of benefits paid by the
23 Division of Workforce Services Law, § 11-10-101 et seq., for unemployment
24 benefits charged to the agency;

25 (2) “Experience rate” means the process of adjustment in a
26 future period of the contribution rate of an agency based on the difference
27 of the amounts paid to the revolving fund for a fiscal year compared to the
28 amounts of unemployment benefits charged to the agency for a fiscal year in
29 order to recover deficits and refund surpluses;

30 (3) “Payroll” means the gross total amount expended for a
31 payroll period for regular salaries, extra help, and authorized overtime
32 payments; and

33 (4) “State agency” means any state agency, board, commission,
34 department, institution, college, university, and community junior college
35 receiving an appropriation for regular salaries, extra help, and authorized
36 overtime payable from funds deposited into the State Treasury or depositories

1 other than the State Treasury by the General Assembly.

2
3 11-16-203. Applicability.

4 The provisions and applicability of this subchapter shall be in
5 conjunction with other state laws governing the unemployment compensation of
6 state employees. Employee coverage shall be in conformity with state and
7 federal laws applicable to state employees' unemployment compensation.
8 Nothing contained in this subchapter shall be applicable or construed to be
9 applicable to laws regulating unemployment compensation for municipal or
10 county employees.

11
12 11-16-204. Administration.

13 (a) This subchapter shall be administered by the Chief Fiscal Officer
14 of the State.

15 (b) Upon certification to the Chief Fiscal Officer of the State by the
16 Division of Workforce Services of unemployment compensation benefits paid
17 during a benefit period and charged to a state agency, the Chief Fiscal
18 Officer of the State shall direct that reimbursement be made to the division
19 from the Unemployment Compensation Revolving Fund for such amounts as are
20 properly certified.

21 (c) The Chief Fiscal Officer of the State shall have the authority to
22 make such rules as are necessary to enforce the provisions of this
23 subchapter.

24
25 11-16-205. Benefits claims investigations.

26 The Department of Workforce Services shall investigate all claims for
27 benefits filed by state employees whether or not the employing state agency
28 lodges a protest to the payment of such benefits. Such investigation shall
29 result in a determination of the eligibility of the employee for benefit
30 payments.

31
32 11-16-206. Contributions generally.

33 (a) Each state agency shall make contributions to the Unemployment
34 Compensation Revolving Fund using the experience rate determined in
35 accordance with § 11-10-704 from personal services matching costs funds
36 within fourteen (14) calendar days following the end of each calendar

1 quarter. The experience rate for each even-numbered fiscal year will be used
2 to fix the rate for the next even-numbered fiscal year. Each odd-numbered
3 fiscal year's experience rate will be used to fix the next odd-numbered
4 fiscal year rate.

5 (b) If during any fiscal year the Chief Fiscal Officer of the State
6 determines that the contribution rate for any agency will result in a
7 significant surplus or deficit for that fiscal year, then he or she shall
8 have the authority to adjust the agency contribution rate to reduce such
9 surplus or recover any such deficit, subject to the provisions of § 11-16-
10 207.

11
12 11-16-207. Maximum contributions.

13 In no event shall any experience rate result in a state agency making
14 contributions of more than three percent (3%) of its gross payroll
15 expenditures. In the event that an agency builds a deficit which would
16 require a contribution rate greater than three percent (3%), then that agency
17 shall continue to make contributions at the rate of three percent (3%), even
18 though eligible for an experience rate reduction, until any deficit owed the
19 fund is repaid. Only then shall the actual experience rate be used to compute
20 such agency contributions.

21
22 11-16-208. Loans.

23 (a) In the event that the Unemployment Compensation Revolving Fund
24 does not have sufficient funds available from contributions by state agencies
25 to make reimbursement to the Division of Workforce Services for benefits
26 paid, loans may be made from the Budget Stabilization Trust Fund to make such
27 payments.

28 (b) Any loans made to the Unemployment Compensation Revolving Fund
29 shall be repaid by June 30 of the first fiscal year after the fiscal year in
30 which such loans were made.

31
32 11-16-209. Financing.

33 Financing for the provisions of this subchapter shall be provided
34 within the appropriations and financing authority authorized by the General
35 Assembly for personal services matching costs.

36

1 (10) days after knowledge of any personal injury or death of any employee of
2 the state or any of its agencies, departments, or institutions. This report
3 shall be made on forms approved by the commission and shall give the date,
4 place, and time of day of any such injury or death, briefly stating the
5 circumstances and extent thereof, the name of the injured or deceased person,
6 and the names of any and all witnesses.

7
8 11-17-205. Jurisdiction and procedure.

9 (a)(1) The Workers' Compensation Commission shall have exclusive
10 jurisdiction, as limited in this subchapter, of all claims against the State
11 of Arkansas and its several agencies, departments, and institutions for
12 personal injuries and deaths of employees and officers of the State of
13 Arkansas and its agencies, departments, and institutions arising out of and
14 in the course of employment or service.

15 (2)(A) Awards for these injuries and deaths shall be made by the
16 commission in the same amounts and on the same terms and conditions as if
17 such injuries and deaths had arisen out of and in the course of private
18 employment covered by the Workers' Compensation Law, § 11-9-101 et seq.

19 (B) The procedure to be followed in the presentation,
20 hearing, and determination of claims shall, in all respects, be the same as
21 in claims for compensation for injuries and deaths arising out of and in the
22 course of private employment covered by the Workers' Compensation Law, § 11-
23 9-101 et seq.

24 (b) The General Assembly shall at each session appropriate, from such
25 sources as it may see fit, a sum sufficient to satisfy such claims as are or
26 probably will be payable during the following fiscal year under awards made
27 under this section. The commission shall direct the distributions of this
28 fund and make disbursements upon the vouchers issued against it.

29
30 11-17-206. State deemed self-insurer.

31 For the purposes of this subchapter, the State of Arkansas shall be
32 considered a self-insurer and shall be exempt from all fees and tax as such.

33
34 11-17-207. Awards and expenses.

35 In the event an award is made, the Workers' Compensation Commission
36 shall immediately take the necessary steps to pay the award and all expenses

1 incidental to the claim from any funds previously made available by the
2 General Assembly for such purpose.

3
4 11-17-208. Report of findings.

5 Upon the allowance or disallowance of any claim, the Workers'
6 Compensation Commission shall immediately transmit a copy of its findings to
7 the Secretary of the Department of Finance and Administration and interested
8 parties.

9
10 Subchapter 3 – Reimbursement of Workers' Compensation Benefits

11
12 11-17-301. Purpose.

13 It is the purpose of this subchapter that all programs, regardless of
14 their funding source, contribute equally to the cost of workers' compensation
15 benefits charged to the state agencies operating such programs.

16
17 11-17-302. Definitions.

18 As used in this subchapter, unless the context otherwise requires:

19 (1) "Contribution" means a percentage of payroll expenditures
20 paid to the Workers' Compensation Revolving Fund by a state agency in order
21 to provide current and timely reimbursements of benefits paid by the Workers'
22 Compensation Commission for workers' compensation benefits charged to the
23 agency;

24 (2) "Experience rate" means the process of adjustment in a
25 future period of the contribution rate of a state agency based on the
26 difference of the amounts paid to the Workers' Compensation Revolving Fund
27 for a fiscal year compared to the amounts of workers' compensation benefits
28 charged to the agency for a fiscal year in order to recover deficits and
29 refund surpluses;

30 (3) "Payroll" means the gross total amount expended for a
31 payroll period for regular salaries, extra help, and authorized overtime
32 payments; and

33 (4) "State agency" means any state agency, board, commission,
34 department, institution, college, university, and community junior college
35 receiving appropriation for regular salaries, extra help, and authorized
36 overtime payable from funds deposited into the State Treasury or depositories

1 other than the State Treasury by the General Assembly.

2
3 11-17-303. Applicability.

4 It is the intent of the General Assembly that the provisions of the
5 workers' compensation laws contained in § 11-9-502 apply to state agencies
6 and that "employer" as used in that statute includes state agencies.

7
8 11-17-304. Administration.

9 This subchapter shall be administered by the Chief Fiscal Officer of
10 the State. The Chief Fiscal Officer of the State shall have the authority to
11 establish procedures and to make such rules as are necessary to enforce the
12 provisions of this subchapter.

13
14 11-17-305. Contributions generally.

15 (a) Each state agency shall make contributions to the Workers'
16 Compensation Revolving Fund, using the experience rate determined in
17 accordance with this section, from personal services matching costs funds
18 within fourteen (14) calendar days following the end of each calendar
19 quarter. The experience rate for each even-numbered fiscal year will be used
20 to fix the rate for the next even-numbered fiscal year. Each odd-numbered
21 fiscal year's experience rate will be used to fix the next odd-numbered
22 fiscal year's rate.

23 (b) If during any fiscal year the Chief Fiscal Officer of the State
24 determines that the contribution rate for any agency will result in a
25 significant surplus or deficit for that fiscal year, he or she shall have the
26 authority to adjust the agency contribution rate to reduce such surplus or
27 recover any such deficit, subject to the provisions of § 11-17-306.

28
29 11-17-306. Maximum contributions.

30 In the event a state agency builds a deficit which would require a
31 contribution rate greater than two percent (2%), the agency shall continue to
32 make contributions at the rate of two percent (2%) until any deficit owed the
33 fund is repaid. In the event an agency's experience rate exceeds two percent
34 (2%) for one (1) full fiscal year, their contribution rate shall be adjusted
35 to equal their experience rate, not to exceed a maximum of five percent (5%).
36 Their contributions shall remain at that level until their experience rate

1 decreases and their accumulated deficit is repaid.

2
3 11-17-307. Loans.

4 If the Workers' Compensation Revolving Fund does not have sufficient
5 funds available from contributions by state agencies for paying awarded
6 workers' compensation benefits to state employees, loans may be made from the
7 Budget Stabilization Trust Fund to make such payments. Any loans made to the
8 Workers' Compensation Revolving Fund shall be repaid by June 30 of the first
9 fiscal year after the fiscal year in which such loans were made.

10
11 11-17-308. Financing.

12 Financing the provisions of this subchapter shall be provided within
13 the appropriations and financing authority as authorized by the General
14 Assembly for personal services matching costs.

15
16 SECTION 102. Arkansas Code Title 14, Chapter 1, Subchapter 1, is
17 amended to add an additional section to read as follows to reenact §§ 19-1-
18 301 and 19-1-302:

19 14-1-111. Fiscal impact before adoption of rule, etc. – Definition.

20 (a) As used in this subchapter, unless the context otherwise requires,
21 “fiscal impact statement” means a realistic statement of the estimated
22 financial cost of implementing or complying with the proposed law, rule,
23 policy, order, or administrative law upon municipalities or counties to which
24 the proposed law, rule, policy, order, or administrative law applies.

25 (b) No rule, policy, order, or administrative law which would have a
26 fiscal impact on any municipality or county in this state shall be valid
27 unless, thirty (30) days prior to its adoption by a board, commission,
28 agency, department, officer, or other authority of the government of the
29 State of Arkansas, excepting the General Assembly, the courts, and the
30 Governor, the board, commission, agency, department, officer, or other
31 authority has filed a fiscal impact statement with the Secretary of State.

32 (c) Any municipality or county which will be affected by the proposed
33 rule, policy, order, or administrative law upon request shall immediately be
34 furnished with a copy of the fiscal impact statement by the board,
35 commission, agency, department, officer, or other authority.

36

1 SECTION 103. Arkansas Code § 12-6-802(e), concerning grant funding for
2 violent crime clearance, is amended to read as follows:

3 (e) The secretary and the department shall only be obligated to comply
4 with this section in years in which the Violent Crime Clearance Grant Fund, §
5 ~~19-5-1282~~ 19-27-336, receives at least one million dollars (\$1,000,000) in
6 funding.

7
8 SECTION 104. Arkansas Code § 12-6-803(b)(3), concerning the powers of
9 the Department of Public Safety to carry out the additional duties of the
10 Department of Public Safety, is amended to read as follows:

11 (3) Spend up to five percent (5%) of funds in the Violent Crime
12 Clearance Grant Fund, § ~~19-5-1282~~ 19-27-336, on the necessary costs of
13 administering this subchapter, including without limitation the costs
14 described in this section.

15
16 SECTION 105. Arkansas Code § 12-9-104(17), concerning the powers of
17 the Arkansas Commission on Law Enforcement Standards and Training, is amended
18 to read as follows:

19 (17) Adopt rules to implement §§ 14-15-309 and ~~19-6-821~~ 19-43-
20 293; and

21
22 SECTION 106. Arkansas Code § 12-9-111(a), concerning uniforms for
23 students and law enforcement officers, is amended to read as follows:

24 (a) The Arkansas Commission on Law Enforcement Standards and Training
25 is exempt from § ~~19-6-109(e)~~ 19-40-109(c) for the purpose of buying uniforms
26 for students and law enforcement officers employed by the Division of Law
27 Enforcement Standards and Training.

28
29 SECTION 107. Arkansas Code § 12-10-318(g)(4)(B), concerning the
30 deposit of the public safety charge into the Arkansas Public Safety Trust
31 Fund, is amended to read as follows:

32 (B) The Arkansas Public Safety Trust Fund shall provide
33 disbursements as provided by § ~~19-5-1152~~ 19-26-325.

34
35 SECTION 108. Arkansas Code § 12-12-910(c), concerning the fine imposed
36 under the Sex Offender Registration Act of 1997, is amended to read as

1 follows:

2 (c)(1) The fine provided in subsection (a) of this section and
3 collected in circuit court, district court, or city court shall be remitted
4 by the tenth day of each month to the Administration of Justice Funds Section
5 of the Office of Administrative Services of the Department of Finance and
6 Administration on a form provided by that office for deposit into the Sex ~~and~~
7 ~~Child~~ Offenders Registration Fund as established by § 12-12-911.

8 (2) The fee provided in subsection (b) of this section shall be
9 collected by the law enforcement agency having jurisdiction over the person's
10 sex offender verification and shall be remitted by the tenth day of each
11 month to the Administration of Justice Funds Section of the Office of
12 Administrative Services of the Department of Finance and Administration on a
13 form provided by that office for deposit into the Sex ~~and Child~~ Offenders
14 Registration Fund as established by § 12-12-911.

15

16 SECTION 109. Arkansas Code § 12-12-911(a), concerning the Sex and
17 Child Offenders Registration Fund, is amended to read as follows:

18 (a) There is established on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
20 known as the "Sex ~~and Child~~ Offenders Registration Fund".

21

22 SECTION 110. Arkansas Code § 12-27-122(b), concerning debt service
23 accounts of the Division of Correction, is amended to read as follows:

24 (b) Payments made by the division from the work-release cash funds,
25 Construction Fund Deficiency Account, Prisoner Housing Contract Account, and
26 the Regional Facilities Operations Account which are made for bonded
27 indebtedness or leases of regional correction facilities, or both, are
28 specifically exempt from §§ ~~19-4-801—19-4-803, 19-4-805, and 19-4-806~~ 19-4-
29 801 – 19-4-805.

30

31 SECTION 111. Arkansas Code § 12-27-128(a), concerning the Division of
32 Correction Nontax Revenue Receipts Fund, is amended to read as follows:

33 (a) There is created in accordance with §§ ~~19-4-801—19-4-803, 19-4-~~
34 ~~804 [repealed], 19-4-805, 19-4-806~~ 19-4-801 – 19-4-805, and the Revenue
35 Classification Law, § ~~19-6-101~~ 19-40-101 et seq., a cash fund entitled the
36 Division of Correction Nontax Revenue Receipts Fund to consist of receipts

1 for telephone calls from coinless telephones located on Division of
2 Correction grounds, and from other nontax receipts not previously identified
3 to a fund of deposit.

4
5 SECTION 112. Arkansas Code § 12-27-133 is amended to read as follows:
6 12-27-133. Community Correction Revolving Fund.

7 There is created and established on the books of the Treasurer of
8 State, the Auditor of State, and the Chief Fiscal Officer of the State a fund
9 to be known as the "Community Correction Revolving Fund", which shall consist
10 of those special revenues as specified in § ~~19-6-301(31)~~ 19-42-201(31) and
11 fees and sanctions levied by the courts or authorized by the Board of
12 Corrections for participation in specified programs to be paid by offenders
13 on community correction, there to be used for continuation and expansion of
14 community correction programs as established and approved by the board and as
15 may be provided by law.

16
17 SECTION 113. Arkansas Code § 12-27-142(b), concerning the medical
18 services contract for the Division of Correction and Division of Community
19 Correction, is amended to read as follows:

20 (b) Except as provided in subsection (a) of this section, the
21 professional services contracts for medical services shall comply with all
22 other provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et
23 seq., and rules promulgated under the Arkansas Procurement Law, § ~~19-11-201~~
24 19-61-101 et seq.

25
26 SECTION 114. Arkansas Code § 12-29-602 is amended to read as follows:
27 12-29-602. Immunity not affected.

28 The provisions of this subchapter are not intended to in any way affect
29 the immunity from suit granted to state officials and employees under § ~~19-~~
30 ~~10-305~~ 25-44-305 or to the state and its official agencies under Arkansas
31 Constitution, Article 5, § 20.

32
33 SECTION 115. Arkansas Code § 12-62-305 is amended to read as follows:
34 12-62-305. Pay and care – Service injury or disability.

35 Members of the Arkansas National Guard or militia, during the period in
36 which they are in the active service of the state pursuant to orders of the

1 Governor as provided by law, shall be entitled to coverage and benefits of
2 the workers' compensation law for state employees, §§ ~~19-10-101—19-10-103,~~
3 ~~19-10-202—19-10-210,~~ and ~~19-10-401—19-10-406~~ 11-17-202 – 11-17-208, 25-
4 44-102 – 25-44-104, 25-44-202 – 25-44-210.

5
6 SECTION 116. Arkansas Code § 13-5-315(b), concerning debt service and
7 the pledge of revenues and earnings from admission charges under the Arkansas
8 Museum and Cultural Center Act, is amended to read as follows:

9 (b) As additional security, the payment of debt service may be secured
10 by a pledge of earnings to the extent specified in this section derived from
11 the investment of state funds pursuant to the State Treasury Management Law,
12 § ~~19-3-501~~ 19-3-301 et seq., known as the “investment earnings”.

13
14 SECTION 117. Arkansas Code § 14-1-606(f), concerning the prohibition
15 on ownership of a digital asset mining business by a prohibited foreign-
16 party-controlled business, is amended to read as follows:

17 (f) Civil penalties and damages received by the Attorney General under
18 this section shall be distributed as follows:

19 (1) Fifty percent (50%) to the Oil and Gas Commission Fund, §
20 ~~19-6-410~~ 19-43-209; and

21 (2) Fifty percent (50%) to the Attorney General to be used in
22 the same manner as provided in § 25-16-718.

23
24 SECTION 118. Arkansas Code § 14-16-116(d), concerning the exchange or
25 transfer of property by counties, is amended to read as follows:

26 (d) A transfer made under this section is exempt from §§ 14-16-105 and
27 14-16-106, § 14-22-101 et seq., and the Arkansas Procurement Law, § ~~19-11-201~~
28 19-61-101 et seq.

29
30 SECTION 119. Arkansas Code § 14-58-101(b)(5) and (6), concerning the
31 requirement that an audit of a municipality by an independent accountant
32 include a review and comments on substantial compliance with certain laws,
33 are amended to read as follows:

34 (5) Investment of public funds, § ~~19-1-501~~ 19-1-401 et seq.; and

35 (6) Deposit of public funds, §§ ~~19-8-101—19-8-107~~ 19-5-101 –
36 19-5-107.

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SECTION 120. Arkansas Code § 14-58-105(d), concerning the purchase of commodities or services by municipalities through competitive bidding, is amended to read as follows:

(d) When circumstances arise to which this section and § ~~19-11-259~~ 19-61-515 apply, both the preference provided under this section and the preference provided under § ~~19-11-259~~ 19-61-515 also apply.

SECTION 121. Arkansas Code § 14-58-1001(f)(2), concerning the requirements for municipal projects exceeding two million dollars, is amended to read as follows:

(2) Notwithstanding anything in this section to the contrary, the provisions of §§ ~~19-11-801~~ 19-65-101, 19-65-102, 22-9-101, 22-9-103, 22-9-104, and 22-9-213, § 22-9-301 et seq. [repealed], § 22-9-401 et seq., § 22-9-501 et seq., § 22-9-601 et seq., § 22-9-701 et seq., and all competitive bidding statutes shall remain in full force and effect and not be affected hereby.

SECTION 122. Arkansas Code § 14-62-103(b), concerning the surrender and repeal of a municipal charter, is amended to read as follows:

(b) Until a final order of dissolution is entered under § 14-62-114, the receiver appointed under § 14-62-104 shall continue to collect the share of:

(1) General revenue turnback funds, as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

(2) County and state taxes that were being paid to the municipal corporation; and

(3) Any other funds, revenues, or fees as otherwise provided under this chapter.

SECTION 123. Arkansas Code § 14-62-105(c)(2)(A), concerning reports and collections by a receiver for an extinct municipal corporation, is amended to read as follows:

(2)(A) At least one (1) time per month, the receiver shall pay into a bank approved under § ~~19-8-105~~ 19-5-105 the whole sum collected and received from any nontax revenue sources.

1
2 SECTION 124. Arkansas Code § 14-77-102(2)(D)(viii), concerning the
3 laws applicable to political subdivisions under the definition of "fiscal
4 responsibility and management laws" used under the Local Fiscal Management
5 Responsibility Act, is amended to read as follows:

6
7 (viii) Depositories for Public Funds, § ~~19-8-101~~ 19-
8 5-101 et seq.;

9
10 SECTION 125. Arkansas Code § 14-78-103(g), concerning authorization
11 for municipalities and counties to issue obligations, is amended to read as
12 follows:

13 (g) The obligations shall be signed by the chief executive officer of
14 the issuer and shall be executed in the manner provided by the Registered
15 Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.

16
17 SECTION 126. Arkansas Code Title 14, Subtitle 4, is amended to add an
18 additional chapter to read as follows to reenact §§ 19-8-301 – 19-8-311:

19 CHAPTER 79

20 LOCAL GOVERNMENT JOINT INVESTMENT TRUST ACT

21
22 14-79-101. Title.

23 This subchapter may be cited as the "Local Government Joint Investment
24 Trust Act".

25
26 14-79-102. Purpose.

27 The purpose of this subchapter is to permit local governments in
28 Arkansas to join together to establish trusts for joint investment of moneys
29 not currently needed so as to enhance their investment opportunities and
30 increase investment earnings. This subchapter shall be deemed to provide an
31 additional and alternative method of investment for local governments. It is
32 supplemental to existing investment authority.

33
34 14-79-103. Definitions.

35 For purposes of this subchapter:

36 (1) "Local government" shall mean:

1 (A) Any city, county, school district, or community
2 college district of this state;

3 (B) Any department, instrumentality, or agency of these
4 entities, including local fire and police pension and relief funds; and

5 (C) Any department, instrumentality, or agency of these
6 entities, including a local government association;

7 (2) "Local government association" shall mean the Arkansas
8 Municipal League, the Association of Arkansas Counties, the Arkansas School
9 Boards Association, or any similar organization whose membership is composed
10 of local governments or their elected officials;

11 (3) "Participant" shall mean a local government which is a party
12 to a trust agreement;

13 (4) "Private agency" shall mean any individual or any form of
14 business organization authorized under the laws of this or any other state;
15 and

16 (5) "Trust agreement" shall mean the agreement, indenture, or
17 other instrument creating a trust pursuant to this subchapter, together with
18 any supplements thereto.

19
20 14-79-104. Creation of trusts.

21 (a) Ten (10) or more local governments may create a trust under this
22 subchapter by ordinance, resolution, or otherwise pursuant to law of their
23 governing bodies to provide for the joint investment of moneys not currently
24 needed by the local governments creating the trust and by other local
25 governments that become parties to the trust.

26 (b) Each trust shall be created by trust agreement.

27 (c) Following the creation of a trust agreement, other local
28 governments may become parties to the trust agreement with appropriate action
29 taken by the local depository board, board of directors of a school district,
30 or other authorized party responsible for decisions related to bank deposits
31 and investments.

32
33 14-79-105. Terms of trust agreement.

34 (a) Each trust agreement shall specify the following:

35 (1) Its duration;

36 (2)(A) The number, qualifications, method of election, and terms

1 of the trustees who shall serve as the governing body of the trust.

2 (B)(i) Each trust shall have a minimum of seven (7)
3 trustees.

4 (ii) Only current elected officials and active or
5 retired employees of a local government or of a local government association
6 may serve as trustees.

7 (iii) A majority of the trustees must be officials
8 or employees of participants.

9 (C)(i) Each trustee shall be elected by the participants
10 for a term not to exceed three (3) years.

11 (ii) The terms of office shall be staggered so that
12 at least one-third ($\frac{1}{3}$) of the trustees are elected each year.

13 (D) Each participant shall be entitled to one (1) vote in
14 each election of trustees;

15 (3) The qualifications, terms, and conditions necessary for
16 additional local governments to become parties to the trust;

17 (4) The terms and conditions under which local governments may
18 withdraw as parties to the trust; provided, that any party shall have the
19 unconditional right to withdraw upon not more than ninety (90) days' notice;

20 (5) The permissible methods for acquiring, holding, and
21 disposing of real and personal property used in the operation of the trust;

22 (6) The maximum amount of funds of participants the trust may
23 accept for investment;

24 (7) The permissible methods to be employed in accomplishing the
25 partial or complete termination of the trust and for disposing of property
26 upon the partial or complete termination;

27 (8) The terms and conditions under which the trust agreement may
28 be amended and supplemented; and

29 (9) Any other necessary and proper matters.

30 (b) Each addition of a local government as a party to a trust, each
31 withdrawal of a local government as a party to a trust, and each amendment or
32 supplement to a trust agreement shall be evidenced by a written supplement to
33 the trust agreement.

34
35 14-79-106. Filing of trust agreement and supplements thereto.

36 No trust agreement or supplement to a trust agreement shall be

1 effective until it is filed with the Secretary of State.

2
3 14-79-107. Common trust funds – Individual investment accounts.

4 (a) Each trust created pursuant to this subchapter shall establish one
5 (1) or more common trust funds. Moneys held for the credit of a common trust
6 fund shall be invested only in authorized common trust fund investments.

7 (b) Assets held for the credit of a common trust fund shall be divided
8 into units of participation, and each participant who invests in the common
9 trust fund shall be the owner of such units in proportion to the amount of
10 its investment. Such units shall be authorized investments for participants.

11 (c) If authorized by its trust agreement, and notwithstanding any
12 other provision of state law, a trust may also act as trustee of individual
13 investment accounts of participants. Moneys held for the credit of an
14 individual investment account shall be invested only in obligations which
15 are, at the time of investment, authorized investments for the participant
16 under applicable law, excluding this subchapter.

17
18 14-79-108. Authorized common trust fund investments.

19 A trust created under this subchapter may invest moneys held for the
20 credit of a common trust fund in the same manner as cities under §§ 19-1-404
21 and 19-1-405 and according to the investment policy adopted by the board of
22 directors of the trust.

23
24 14-79-109. Power to own property and contract.

25 (a) A trust created under this subchapter shall, subject to any
26 limitations in the trust agreement, have power to own real and personal
27 property necessary to carry out its functions and to contract with local
28 government associations and private agencies for necessary services in
29 carrying out its functions.

30 (b) Without limiting the generality of the foregoing, a trust may be
31 authorized to employ an investment advisor, a trust administrator, a
32 custodian of investments, and a person or firm to market trust investment
33 programs.

34
35 14-79-110. Records.

36 (a) Each trust shall cause proper books of account and records to be

1 kept in which complete and correct entries shall be made of all transactions
2 relating to its operations.

3 (b) Such books shall be available for inspection by each participant
4 at reasonable times.

5 (c) Each trust shall have the records audited by the Legislative Joint
6 Auditing Committee or by a certified public accountant one (1) time each
7 year.

8 (d) A copy of the audit shall be furnished to each participant and a
9 copy shall be filed with the Secretary of State.

10
11 14-79-111. Direct deposits by State of Arkansas into local government
12 cash management trust account.

13 (a) Notwithstanding any other provision of law, the following funds
14 remitted to municipalities by the State of Arkansas may be deposited directly
15 into a municipality's Arkansas local government cash management trust
16 account, established pursuant to this subchapter:

17 (1) The Municipal Aid Fund, as described in § 19-25-101;

18 (2) The special highway revenues made available by the Arkansas
19 Highway Revenue Distribution Law, § 27-70-201 et seq.; and

20 (3) The special revenues listed in the Revenue Classification
21 Law, § 19-41-201 et seq., including, but not limited to, those generated by
22 the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

23 (b)(1) Upon receipt of a resolution enacted by the governing body of a
24 municipality, the officials responsible for the transmittal of funds to the
25 municipality shall directly deposit the funds into the municipality's local
26 government cash management trust account.

27 (2) The resolution shall state the following:

28 (A) The name of the municipality;

29 (B) The funds to be transmitted; and

30 (C) The municipality's local government cash management
31 trust account number.

32 (c)(1) Direct deposits as provided in this section shall continue to
33 be made until the state official or officials responsible for transmitting
34 the funds receive a copy of a resolution enacted by the governing body of the
35 municipality requesting the termination of the deposits.

36 (2) Upon receipt, the funds shall be transmitted as provided by

1 this section.

2

3 SECTION 127. Arkansas Code § 14-116-402(a)(13)(B), concerning the
4 powers of a water district to issue obligations under The Regional Water
5 Distribution District Act, is amended to read as follows:

6 (B) The obligations may be in the form of negotiable bonds
7 but may be registered as public obligations under the Registered Public
8 Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., may be issued in
9 one (1) or more series, may bear such date or dates, may mature at such
10 times, not exceeding forty (40) years from their respective dates, may bear
11 interest at rate or rates, may be in such form, may be executed in such
12 manner, may be payable in such medium of payment, may be payable at such
13 place or places, within or without the State of Arkansas, may be subject to
14 such terms of redemption, and may contain such terms, covenants, and
15 conditions as the resolution of the board authorizing the bonds may provide.

16

17 SECTION 128. Arkansas Code § 14-142-214 is amended to read as follows:

18 14-142-214. Bonds generally – Execution.

19 The bonds shall be executed in the manner provided by the Registered
20 Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that
21 subchapter may be amended.

22

23 SECTION 129. Arkansas Code § 14-143-130(a), concerning funding for
24 regional intermodal facilities, is amended to read as follows:

25 (a) The Arkansas Department of Transportation shall distribute the
26 first five hundred twenty-five thousand dollars (\$525,000) of interest income
27 received under § 27-70-204 each year from the ~~State Highway and~~
28 ~~Transportation Department~~ Arkansas Department of Transportation Fund. The
29 moneys shall be:

30 (1) Equally distributed to each authority;

31 (2) Deposited into a bank as the authority may direct under §
32 14-143-124(a)(1); and

33 (3) Used for the purposes and the implementation of the powers
34 authorized under this chapter.

35

36 SECTION 130. Arkansas Code § 14-164-314 is amended to read as follows:

1 14-164-314. Bonds generally – Execution.

2 The bonds shall be executed in the manner provided by the Registered
3 Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act
4 may be amended.

5

6 SECTION 131. Arkansas Code § 14-164-402(12)(A), concerning the
7 facilities included in the definition of "performance-based efficiency
8 project" to be used under the Local Government Capital Improvement Revenue
9 Bond Act of 1985, is amended to read as follows:

10 (A) A new facility that is designed to reduce the
11 consumption of energy or natural resources or results in operating cost
12 savings as a result of changes that:

13 (i) Do not degrade the level of service or working
14 conditions;

15 (ii) Are measurable and verifiable under the
16 International Performance Measurement and Verification Protocol, promulgated
17 by the Arkansas Pollution Control and Ecology Commission in the rules
18 required under § ~~19-11-1207~~ 19-68-301; and

19 (iii) Are measured and verified by an audit
20 performed by an independent engineer or by a qualified efficiency engineering
21 company, including the vendor providing the performance-based efficiency
22 project; or

23

24 SECTION 132. Arkansas Code § 14-164-410 is amended to read as follows:
25 14-164-410. Bonds – Execution.

26 The bonds shall be executed in the manner provided by the Registered
27 Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act
28 may be amended.

29

30 SECTION 133. Arkansas Code § 14-164-419 is amended to read as follows:
31 14-164-419. Contract requirements.

32 (a) All services provided by a qualified efficiency engineer in
33 completing a performance-based efficiency project pursuant to a qualified
34 efficiency contract, including, but not limited to, the procurement of any
35 goods and services in connection with the performance-based efficiency
36 project, shall be considered professional services under § ~~19-11-801~~ 19-65-

1 101 et seq.

2 (b) An issuer's engagement of a qualified efficiency engineering
3 company and execution of a qualified efficiency contract in favor of a
4 qualified efficiency engineering company shall be subject to § ~~19-11-801~~ 19-
5 65-101 et seq., but shall be exempt from all competitive bidding statutes,
6 including, but not limited to, § 14-43-601 et seq., § 14-47-101 et seq., §
7 14-48-101 et seq., § 14-54-301 et seq., § 14-54-401 et seq., § 14-58-301 et
8 seq., § 14-141-101 et seq., the General Accounting and Budgetary Procedures
9 Law, § 19-4-101 et seq., § ~~19-11-101~~ 19-60-101 et seq., § 22-1-201 et seq.,
10 the Building Authority Division Act, § 22-2-101 et seq., § 22-3-202 et seq.,
11 § 22-4-101 et seq., § 22-5-101 et seq., § 22-6-101 et seq., § 22-7-101 et
12 seq., § 22-8-101 et seq., and § 22-9-101 et seq.

13

14 SECTION 134. Arkansas Code § 14-164-514(b), concerning the execution
15 of bonds and coupons under the Economic and Industrial Development Revenue
16 Bond Law of 1985, is amended to read as follows:

17 (b) The bonds shall be executed in the manner provided by the
18 Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.,
19 as that act may be amended.

20

21 SECTION 135. Arkansas Code § 14-164-803(4)(A), concerning the
22 facilities included in the definition of "energy efficiency project" to be
23 used under the Local Government Energy Efficiency Project Bond Act, is
24 amended to read as follows:

25 (A) A new facility that is designed to reduce the
26 consumption of energy or natural resources or result in operating cost
27 savings as a result of changes that:

28 (i) Do not degrade the level of service or working
29 conditions;

30 (ii) Are measurable and verifiable under the
31 International Performance Measurement and Verification Protocol, promulgated
32 by the Arkansas Pollution Control and Ecology Commission in the rules
33 required under § ~~19-11-1207~~ 19-68-301; and

34 (iii) Are measured and verified by an audit
35 performed by an independent engineer or by a qualified provider, including
36 the vendor providing the energy efficiency project; or

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SECTION 136. Arkansas Code § 14-164-803(11), concerning the definitions to be used under the Local Government Energy Efficiency Project Bond Act, is amended to read as follows:

(11) “Qualified provider” means the same as defined in § ~~19-11-1202~~ 19-68-102.

SECTION 137. Arkansas Code § 14-164-812 is amended to read as follows:
14-164-812. Bonds – Execution.

Bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.

SECTION 138. Arkansas Code § 14-164-821 is amended to read as follows:
14-164-821. Rules.

A municipality or county may provide by ordinance that the municipality or county shall comply with the rules promulgated by the Arkansas Pollution Control and Ecology Commission under § ~~19-11-1207~~ 19-68-301.

SECTION 139. Arkansas Code Title 14, Chapter 168, is amended to add an additional subchapter to read as follows to reenact §§ 19-7-901 – 19-7-910:

Subchapter 4 – Resettlement or Rural Rehabilitation Projects

14-168-401. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) “Agreement” means a contract and shall include renewals and alterations of the contract;

(2) “County judge” means the county judge of any county in this state;

(3) “Fund” means, unless otherwise expressed, the government project fund established pursuant to § 14-168-406;

(4) “Governing body” means the board, body, or persons in which the powers of a political subdivision as body corporate, or otherwise, are vested;

(5) “Political subdivision” means any agency or unit of this state which is authorized to levy taxes or empowered to cause taxes to be levied;

1 (6) "Project" means any resettlement project or rural
2 rehabilitation project for resettlement purposes of the United States located
3 within a political subdivision and shall include the persons inhabiting such
4 a project; and

5 (7) "Service" means such public and municipal functions
6 performed for property in and persons residing within a political
7 subdivision.

8
9 14-168-402. Agreements for payments by United States in lieu of taxes.

10 (a) The county judge of any county in this state is authorized and
11 empowered to make requests of the United States, for and on behalf of the
12 county and the political subdivisions whose jurisdictional limits are within
13 or coextensive with the limits of the county, for the payment of such sums in
14 lieu of taxes as the United States may agree to pay. The county judge may
15 enter into agreements with the United States in the name of the county for
16 the performance of services by the county and such political subdivisions for
17 the benefit of the project and for the payment by the United States to the
18 county, in one (1) or more installments, of such sums in lieu of taxes.

19 (b) Each political subdivision shall participate in such funds in
20 proportion to the prevailing local tax involved on such property.

21
22 14-168-403. Determination of payment amounts.

23 The amount of any payment of sums in lieu of taxes may be based on the
24 estimated cost to each political subdivision, for and on whose behalf the
25 agreement is entered into, of performing services for the benefit of a
26 project during the period of the agreement after taking into consideration
27 the benefits to be derived by the subdivision from the project. However,
28 these sums shall not be in excess of the taxes which would result to the
29 subdivision for the period if the real property of the project within the
30 subdivision were taxable.

31
32 14-168-404. Contents of agreement.

33 Each agreement entered into pursuant to § 14-168-402 shall contain the
34 names of the political subdivisions with respect to which it is consummated
35 and a statement of the proportionate share of the payment by the United
36 States to which each subdivision shall be entitled.

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14-168-405. Duplicate copies of agreement.

(a) The county judge shall prepare duplicate copies of each agreement for payment of sums in lieu of taxes and file one (1) with the county treasurer and one (1) with the clerk of the county court.

(b) The clerk of the county court shall notify each political subdivision, for and on whose behalf the agreement is executed, that it has been consummated and shall state the share of the payment due under it to which the subdivision is entitled.

(c) On or before the date on which any payment of sums in lieu of taxes is due, the county treasurer shall present a bill to the United States, in the name of the county, in the amount of such payment. The county treasurer shall give to the United States a receipt in the name of the county for all payments of sums in lieu of taxes.

14-168-406. Government project fund of county.

(a) The county treasurer shall establish a fund in the county treasury to be known as the "government project fund". The fund shall contain an account with each political subdivision which is entitled to a share of a payment in lieu of taxes.

(b) Whenever payment is received, the county treasurer shall, without any deduction, apportion it to the several accounts in the fund pursuant to the agreement under which the payment is made.

14-168-407. Statement of apportionment – Distribution of funds.

(a) After apportioning any payments to the several accounts, as provided in § 14-168-406, the county treasurer shall prepare, in duplicate, a complete itemized statement of the apportionment, one (1) copy of which shall be filed with the county judge and the other filed with the clerk of the county court.

(b)(1) The county judge, by appropriate resolution, shall order the distribution of each subdivision's share of sums in lieu of taxes to the several subdivisions entitled to a share.

(2) The clerk of the county court shall thereupon draw warrants upon the county treasurer to the order of the political subdivisions entitled to a share of such payment of sums in lieu of taxes.

1 (3) Whenever such warrant is presented to the county treasurer,
2 he or she shall debit the proper account in the fund and shall pay
3 immediately the amount of such warrant in full, without any deduction, to the
4 political subdivision presenting it, notwithstanding any law providing the
5 order in which warrants shall be paid.

6 (4) The county treasurer shall not honor such warrant unless it
7 is countersigned by the presiding officer of the governing body of the
8 political subdivision.

9 (c)(1) The acceptance by a political subdivision of any warrant
10 delivered pursuant to this section shall be considered as an approval of the
11 agreement under which the payment was received.

12 (2) If any governing body of a political subdivision shall
13 refuse to receive any warrant delivered pursuant to this section, the amount
14 thereof shall be refunded by the county to the United States.

15
16 14-168-408. Right of political subdivision to request payment.

17 (a) If the United States declines to deal with a county judge with
18 respect to any political subdivision whose jurisdictional limits are within
19 or coextensive with the limits of the county, or in the event the
20 jurisdictional limits of a political subdivision lie in more than one (1)
21 county, then that subdivision is authorized to make request of the United
22 States for the payment of such sums in lieu of taxes as the United States may
23 agree to pay. The subdivision is empowered to enter into agreements with the
24 United States for the performance by the subdivision of services for the
25 benefit of a project, and for the payment by the United States to the
26 subdivision, in one (1) or more installments, of sums in lieu of taxes.

27 (b) The amount of the payment may be based upon the cost of performing
28 the services during the period of the agreement, after taking into
29 consideration the benefits to be derived by the subdivision from the project,
30 but shall not be in excess of the taxes which would result to the political
31 subdivision during the period if the real property of the project within the
32 political subdivision were taxable.

33 (c) Whenever any payment is received by a subdivision under an
34 agreement entered into pursuant to this section, the governing body of the
35 subdivision shall issue a receipt of the payment to the United States.

36

1 14-168-409. Disposition of funds.

2 (a) All moneys received by a political subdivision pursuant to § 14-
3 168-407 or § 14-168-408 shall be deposited into such funds or items of a fund
4 as may be designated in the agreement.

5 (b) If the agreement does not make such designation, the moneys shall
6 be deposited into such funds or items of a fund as the governing body of the
7 subdivision shall, by appropriate resolution, direct.

8
9 14-168-410. Services of subdivision not to be denied.

10 In the absence of an agreement for payment of sums in lieu of taxes by
11 the United States as provided in this subchapter, no provision of this
12 subchapter shall be construed to relieve any political subdivision of this
13 state of the duty of furnishing for the benefit of a project all services
14 which the subdivision usually furnishes for the property in, and persons
15 residing within, the subdivision without a payment of sums in lieu of taxes.

16
17 SECTION 140. Arkansas Code § 14-217-113 is amended to read as follows:

18 14-217-113. Refunding bonds.

19 Bonds may be issued for the purpose of refunding any bonds issued under
20 this chapter. Refunding bonds may be either sold or delivered in exchange for
21 the bonds being refunded. If sold, the proceeds may be either applied to
22 payment of the bonds being refunded or deposited in trust and applied as
23 provided by § ~~19-9-301~~ 19-6-301.

24
25 SECTION 141. Arkansas Code § 14-233-109(b)(3)(B), concerning bonds
26 issued and sold under the Joint County and Municipal Solid Waste Disposal
27 Act, is amended to read as follows:

28 (B) The provisions of the Revenue Bond Act of 1987, § ~~19-~~
29 ~~9-601~~ 19-6-601 et seq., do not apply to this section.

30
31 SECTION 142. Arkansas Code § 14-234-120(a), concerning the filing of
32 the audit report required for entities receiving fees from customers for
33 providing sewage services, is amended to read as follows:

34 (a) As used in this section, "turnback funds" means:

35 (1) General revenue turnback funds, as defined in the Revenue
36 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

1 (2) Highway revenue turnback funds, as distributed under § 27-
2 70-207.

3
4 SECTION 143. Arkansas Code § 14-262-104(i), concerning the county
5 health officer, is amended to read as follows:

6 (i) When performing official duties, a county health officer is immune
7 from civil suit and liability in the same manner officers and employees of
8 the State of Arkansas are immune under § ~~19-10-305~~ 25-44-305 and Arkansas
9 Constitution, Article 5, § 20.

10
11 SECTION 144. Arkansas Code § 14-284-403(a)(1), concerning the
12 apportionment of funds derived from insurance premium taxes, is amended to
13 read as follows:

14 (a)(1) These premium tax moneys are assessed for disbursement from the
15 Fire Protection Premium Tax Fund, § ~~19-6-468~~ 19-43-256, by the Department of
16 Finance and Administration to the counties in the following percentages:

17 Arkansas County – 0.78%, Ashley County – 1.39%, Baxter
18 County – 1.78%, Benton County – 3.86%, Boone County – 1.46%, Bradley County –
19 0.52%, Calhoun County – 0.51%, Carroll County – 0.97%, Chicot County – 0.51%,
20 Clark County – 1.13%, Clay County – 1.10%, Cleburne County – 1.11%, Cleveland
21 County – 0.66%, Columbia County – 1.24%, Conway County – 1.04%, Craighead
22 County – 2.91%, Crawford County – 1.98%, Crittenden County – 1.32%, Cross
23 County – 0.84%, Dallas County – 0.45%, Desha County – 0.71%, Drew County –
24 0.80%, Faulkner County – 2.30%, Franklin County – 0.97%, Fulton County –
25 0.84%, Garland County – 3.12%, Grant County – 1.13%, Greene County – 1.39%,
26 Hempstead County – 1.89%, Hot Spring County – 1.46%, Howard County – 0.75%,
27 Independence County – 1.90%, Izard County – 0.91%, Jackson County – 0.95%,
28 Jefferson County – 2.32%, Johnson County – 1.05%, Lafayette County – 0.71%,
29 Lawrence County – 0.96%, Lee County – 0.73%, Lincoln County – 1.12%, Little
30 River County – 0.77%, Logan County – 1.06%, Lonoke County – 1.70%, Madison
31 County – 0.95%, Marion County – 1.00%, Miller County – 1.44%, Mississippi
32 County – 1.77%, Monroe County – 0.53%, Montgomery County – 0.66%, Nevada
33 County – 0.58%, Newton County – 0.67%, Ouachita County – 1.37%, Perry County
34 – 0.62%, Phillips County – 1.12%, Pike County – 0.87%, Poinsett County –
35 1.14%, Polk County – 1.01%, Pope County – 1.73%, Prairie County – 0.83%,
36 Pulaski County – 5.99%, Randolph County – 0.96%, St. Francis County – 1.45%,

1 Saline County – 3.00%, Scott County – 0.59%, Searcy County – 0.73%, Sebastian
2 County – 2.06%, Sevier County – 0.82%, Sharp County – 1.30%, Stone County –
3 0.77%, Union County – 2.01%, Van Buren County – 1.18%, Washington County –
4 3.46%, White County – 2.71%, Woodruff County – 0.47%, and Yell County –
5 1.11%.

6

7 SECTION 145. Arkansas Code § 15-3-503(b)(2), concerning advice and
8 recommendations provided by the Board of Directors of the Division of Science
9 and Technology of the Arkansas Economic Development Commission, is amended to
10 read as follows:

11 (2) For funds in or allocated to the Arkansas Acceleration Fund,
12 § ~~19-5-1243~~ 19-27-298, the board shall make recommendations to the commission
13 regarding the allocation or reallocation of funds and moneys for programs and
14 initiatives authorized by the:

15 (A) Arkansas Research Alliance Act, § 15-3-301 et seq.;

16 (B) Innovate Arkansas Fund, § ~~19-5-1237~~ 19-27-292;

17 (C) Venture Capital Investment Act of 2001, § 15-5-1401 et
18 seq.;

19 (D) Supplemental science, technology, engineering, and
20 math fund grants under § 6-17-2701 et seq.;

21 (E) Existing programs of the commission authorized under §
22 15-3-101 et seq., § 15-3-201 et seq., and § 15-3-401 et seq.;

23 (F) [Repealed.]

24 (G) Any other programs or activities aimed at the creation
25 of knowledge-based and high-technology jobs;

26 (H) Arkansas Business and Technology Accelerator Act, §
27 15-3-601 et seq.; and

28 (I) Arkansas Small Business Innovation Research Matching
29 Grant Program, § 15-3-701 et seq.

30

31 SECTION 146. Arkansas Code § 15-4-219(1)(A), concerning the
32 information required to be included in the annual report by the Arkansas
33 Economic Development Commission on the commission's work, is amended to read
34 as follows:

35 (A) Each project that was offered incentives in the
36 previous calendar year, including without limitation:

1 (i) The number of jobs proposed by each project;
2 (ii) For each job creation project that receives
3 funds from the Economic Development Incentive Quick Action Closing Fund under
4 § ~~19-5-1231~~ 19-27-287, an indication of whether each project contains a
5 repayment requirement;

6 (iii)(a) Each project that received funds from the
7 Economic Development Incentive Quick Action Closing Fund under § ~~19-5-1231~~
8 19-27-287.

9 (b) The information reported in subdivision
10 (1)(A)(iii)(a) of this section and any other related information shall be
11 made available to the Office of Economic and Tax Policy upon request;

12 (iv) The location of each project; and

13 (v) The specific incentives offered by the
14 commission;

15
16 SECTION 147. Arkansas Code § 15-4-315 is amended to read as follows:
17 15-4-315. Small procurements.

18 To assist the state in ensuring that the percentages of the total
19 amount expended in state-funded and state-directed public construction
20 programs and procurement of commodities and services for the state each
21 fiscal year under § 15-4-302 are paid to minority business enterprises and
22 women-owned business enterprises under this subchapter, a procurement that
23 does not exceed two (2) times the amount stated in § ~~19-11-204(13)~~ 19-61-
24 501(13) may be procured without seeking competitive bids or competitive
25 sealed bids if the procurement is with a certified minority business
26 enterprise or certified women-owned business enterprise.

27
28 SECTION 148. Arkansas Code § 15-4-3003(7), concerning the definitions
29 to be used under the Arkansas General Obligation Economic Development
30 Superprojects Bond and Project Funding Act, is amended to read as follows:

31 (7) "General revenues" means the revenues described and
32 enumerated in § ~~19-6-201~~ 19-41-201 et seq., or in any successor law;

33
34 SECTION 149. Arkansas Code § 15-4-3003(20), concerning the definitions
35 to be used under the Arkansas General Obligation Economic Development
36 Superprojects Bond and Project Funding Act, is amended to read as follows:

1 (20) "State Apportionment Fund" means the fund by that name
2 created by § ~~19-5-201~~ 19-21-101 or any successor law; and

3
4 SECTION 150. Arkansas Code § 15-4-3005(e)(1), concerning the State of
5 Arkansas Economic Development General Obligation Bonds, is amended to read as
6 follows:

7 (e)(1) Upon receipt of the plan, the Governor shall confer with the
8 Chief Fiscal Officer of the State concerning whether, after utilization of
9 the balance in the Economic Development Superprojects Project Fund, any
10 amount of general revenues will be required to be set aside for payment of
11 debt service requirements in connection with the bonds during either year of
12 the fiscal biennium in which the bonds are to be issued and, if any general
13 funds are required to be used, whether such a use would cause an undue
14 hardship upon any agency or program supported from the general revenues under
15 the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

16
17 SECTION 151. Arkansas Code § 15-4-3202(10), concerning the definitions
18 to be used under the Arkansas Amendment 82 Implementation Act, is amended to
19 read as follows:

20 (10) "General revenues" means the revenues of the state
21 described and enumerated in § ~~19-6-201~~ 19-41-201 or in any successor law;

22
23 SECTION 152. Arkansas Code § 15-4-3203(e), concerning Amendment 82
24 project qualification, is amended to read as follows:

25 (e) If the authority's initial assessment is that Amendment 82 bond
26 financing for the proposed project is feasible, the authority shall notify
27 the commission, and the commission shall refer the proposal and the findings
28 of the commission and the authority to the Chief Fiscal Officer of the State
29 for review of the impact of the proposed Amendment 82 bond financing on any
30 agency or program supported from the general revenues under the Revenue
31 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

32
33 SECTION 153. Arkansas Code § 15-4-3224(d), concerning the public
34 reporting requirements under the Arkansas Amendment 82 Implementation Act, is
35 amended to read as follows:

36 (d) While Amendment 82 bonds are outstanding, the Arkansas Development

1 Finance Authority shall provide a report to the Legislative Council, no less
2 frequently than annually, with respect to the status of the Amendment 82
3 bonds. The report shall contain the information required by § ~~19-9-502~~ 19-6-
4 502.

5
6 SECTION 154. Arkansas Code § 15-4-3609(a), concerning the refundable
7 performance fee under the New Markets Jobs Act of 2013, is amended to read as
8 follows:

9 (a) A qualified community development entity that seeks to have an
10 equity investment or long-term debt security designated as a qualified equity
11 investment eligible for a tax credit under this subchapter shall pay a fee in
12 the amount one-half of one percent (0.5%) of the amount of the equity
13 investment or long-term debt security requested to be designated as a
14 qualified equity investment to the Arkansas Economic Development Commission
15 for deposit into the New Markets Performance Guarantee Fund, § ~~19-5-1254~~ 19-
16 27-309.

17
18 SECTION 155. Arkansas Code § 15-5-905(b), concerning federal grants
19 deposited into the Construction Assistance Revolving Loan Fund, is amended to
20 read as follows:

21 (b) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-
22 108 and 19-45-201, grants received by the Treasurer of State from the ~~federal~~
23 ~~government~~ United States Government for deposit into the fund are declared to
24 be cash funds restricted in their use and dedicated and are to be used solely
25 as authorized in this subchapter.

26
27 SECTION 156. Arkansas Code § 15-5-908 is amended to read as follows:

28 15-5-908. Withholding general revenue turnback.

29 (a) Should any city, town, county, or political subdivision receiving
30 general revenue turnback funds, as defined in the Revenue Stabilization Law,
31 § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment
32 of principal, interest, or financing fee for a period of more than ninety
33 (90) calendar days past the due date in accordance with the written
34 instrument for the repayment of its bonds, notes, or other evidences of
35 indebtedness purchased with moneys in the Construction Assistance Revolving
36 Loan Fund Account, the Arkansas Natural Resources Commission, after

1 notification to the city, town, county, or political subdivision, may certify
2 to the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer
3 of the State the name of the city, town, county, or political subdivision,
4 the amount of deficiencies ninety (90) days or more past due.

5 (b) Upon certification, the Treasurer of State, the Auditor of State,
6 and the Chief Fiscal Officer of the State are directed to withhold from the
7 city's, town's, county's, or other political subdivision's share of general
8 revenue turnback, as the share is defined in the Revenue Stabilization Law, §
9 ~~19-5-101~~ 19-20-101 et seq., the amount certified as due and to transfer the
10 amount to the Construction Assistance Revolving Loan Fund Account and the
11 Construction Assistance Administrative Account as follows:

12 (1) Amounts withheld as fees shall be transferred to the
13 Construction Assistance Administrative Account; and

14 (2) Amounts withheld as principal and interest shall be
15 transferred to the Construction Assistance Revolving Loan Fund Account.

16
17 SECTION 157. Arkansas Code § 15-5-1507(b), concerning the allocation
18 from the Brownfield Revolving Loan Fund by the Treasurer of State, is amended
19 to read as follows:

20 (b) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-
21 108 and 19-45-201, federal or state grants received by the Treasurer of State
22 for purposes authorized under this subchapter are declared to be cash funds
23 to be used solely as authorized under this subchapter.

24
25 SECTION 158. Arkansas Code § 15-11-803(e)(2)(A), concerning
26 eligibility for the Arkansas Great Places Program, is amended to read as
27 follows:

28 (2)(A) Except as provided in subdivision (e)(2)(B) of this
29 section, as a condition of participating in the program, an eligible
30 organization shall pledge matching funds from nongovernmental sources in the
31 following amounts:

32 (i) An eligible organization located in a county
33 with a population of less than twenty thousand (20,000) residents shall
34 pledge at least ten percent (10%) of the total amount of funding requested
35 from the Arkansas Great Places Program Fund, § ~~19-5-1245~~ 19-27-301;

36 (ii) An eligible organization located in a county

1 with a population of at least twenty thousand (20,000) but less than fifty
2 thousand (50,000) residents shall pledge at least twenty percent (20%) of the
3 total amount of funding requested from the fund; and

4 (iii) An eligible organization located in a county
5 with a population of fifty thousand (50,000) or more residents shall pledge
6 at least thirty percent (30%) of the total amount of funding requested from
7 the fund.

8
9 SECTION 159. Arkansas Code § 15-20-208(a), concerning the failure to
10 repay a loan or fee due to the Arkansas Natural Resources Commission, is
11 amended to read as follows:

12 (a) Should any city, town, county, or political subdivision receiving
13 general revenue turnback funds, as defined in the Revenue Stabilization Law,
14 § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay for a period of
15 more than ninety (90) days past the due date of any loan payment or fee due
16 the Arkansas Natural Resources Commission, pursuant to:

17 (1) Any or all of the following statutes:

18 (A) The Arkansas Waste Disposal and Pollution Abatement
19 Facilities Financing Act of 1987, § 15-22-701 et seq.;

20 (B) The Arkansas Water Resources Cost Share Finance Act, §
21 15-22-801 et seq.;

22 (C) The Arkansas Water Resources Development Act of 1981,
23 § 15-22-601 et seq.;

24 (D) The Water, Sewer, and Solid Waste Management Systems
25 Finance Act of 1975, § 14-230-101 et seq.; and

26 (E) The Arkansas Water Development Fund, § 15-22-507;

27 (2) Rules promulgated or agreements entered pursuant to any of
28 the statutes referred to in subdivision (a)(1) of this section; or

29 (3) Fail to negotiate repayment of loans made pursuant to the
30 statutes referred to in subdivision (a)(1) of this section,

31 the commission, after notification to the city, town, county, or
32 political subdivision, may certify that amount of deficiencies to the
33 Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the
34 State.

35
36 SECTION 160. Arkansas Code § 15-20-1302(8), concerning the definitions

1 to be used under the Arkansas Water, Waste Disposal, and Pollution Abatement
2 Facilities Financing Act of 2007, is amended to read as follows:

3 (8) "General revenues of the state" means the revenues described
4 and enumerated in § ~~19-6-201~~ 19-41-201 of the Revenue Classification Law, §
5 ~~19-6-101~~ 19-40-101 et seq., or in any successor law;

6
7 SECTION 161. Arkansas Code § 15-20-1303(c)(2)(A), concerning the
8 Governor's duties upon receipt of the written plan required to be submitted
9 by the Arkansas Natural Resources Commission before the commission issues
10 bonds, is amended to read as follows:

11 (A) Confer with the Chief Fiscal Officer of the State
12 concerning whether the annual amount of general revenue funds required to be
13 set aside from the general revenues of the state under the Revenue
14 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service
15 requirements in connection with the bonds during either year of the fiscal
16 biennium in which the bonds are to be issued would require moneys from the
17 general revenues of the state that would work undue hardship upon any agency
18 or program supported from the general revenues of the state under the
19 provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

20 and

21
22 SECTION 162. Arkansas Code § 15-21-504(j)(2)(A), concerning the
23 duties, responsibilities, and authority of the Arkansas Geographic
24 Information Systems Board, is amended to read as follows:

25 (2)(A) Agreements will be interagency service agreements and are
26 exempt from the provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-
27 61-101 et seq., and rules.

28
29 SECTION 163. Arkansas Code § 15-21-506(a), concerning the procurement
30 procedure to be used by the Arkansas Geographic Information Systems Office
31 with respect to procuring services related to framework data, is amended to
32 read as follows:

33 (a) As used in this section, "technical and general services" means
34 the same as defined in § ~~19-11-203~~ 19-61-103.

35
36 SECTION 164. Arkansas Code § 15-22-607(b), concerning bonds issued by

1 the Arkansas Natural Resources Commission under the Arkansas Water Resources
2 Development Act of 1981, is amended to read as follows:

3 (b) Upon receipt of the plan, the Governor shall confer with the Chief
4 Fiscal Officer of the State concerning whether the annual amount of general
5 revenue funds required to be set aside from the general revenues, as such a
6 term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et
7 seq., for payment of debt service requirements in connection with the bonds
8 during either year of the fiscal biennium in which the bonds are to be
9 issued, would require moneys from the general revenues for allocation that
10 would work undue hardship upon any agency or program supported from general
11 revenues under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~
12 19-20-101 et seq.

13
14 SECTION 165. Arkansas Code § 15-22-615(b), concerning bonds issued
15 under the Arkansas Water Resources Development Act of 1981, is amended to
16 read as follows:

17 (b) The bonds shall be payable from the general revenues of the state
18 as that term is defined in the Revenue Stabilization Law of Arkansas, § ~~19-5-~~
19 ~~101~~ 19-20-101 et seq., and the amount of general revenues as is necessary is
20 pledged to the payment of debt service on the bonds, and shall be and remain
21 pledged for those purposes.

22
23 SECTION 166. Arkansas Code § 15-22-616(a)(2), concerning the payment
24 of debt service under the Arkansas Water Resources Development Act of 1981,
25 is amended to read as follows:

26 (2) The Treasurer of State shall make monthly transfers from the
27 State Apportionment Fund to the Water Resources Development Bond Fund to
28 provide for payment of all or part of the debt service on the bonds issued
29 under this subchapter, of that amount of general revenues for allocation, as
30 such a term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101
31 et seq., as shall be required to pay the maturing debt service on bonds
32 issued under this subchapter.

33
34 SECTION 167. Arkansas Code § 15-22-707(b), concerning bonds issued
35 under the Arkansas Waste Disposal and Pollution Abatement Facilities
36 Financing Act of 1987, is amended to read as follows:

1 (b) Upon receipt of the written plan, the Governor shall confer with
2 the Chief Fiscal Officer of the State concerning whether the annual amount of
3 general revenue funds required to be set aside from the general revenues, as
4 that term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101
5 et seq., for payment of debt service requirements in connection with the
6 bonds during either year of the fiscal biennium in which the bonds are to be
7 issued would require moneys from the general revenues for allocation that
8 would work undue hardship upon any agency or program supported from general
9 revenues under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~
10 19-20-101 et seq.

11
12 SECTION 168. Arkansas Code § 15-22-714(b), concerning bonds issued
13 under the Arkansas Waste Disposal and Pollution Abatement Facilities
14 Financing Act of 1987, is amended to read as follows:

15 (b) The bonds shall be payable from the general revenues of the state
16 as that term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-
17 101 et seq., and such amount of general revenues as is necessary is pledged
18 to the payment of debt service on the bonds and shall be and remain pledged
19 for that purpose.

20
21 SECTION 169. Arkansas Code § 15-22-715(a)(2), concerning the payment
22 of debt service under the Arkansas Waste Disposal and Pollution Abatement
23 Facilities Financing Act of 1987, is amended to read as follows:

24 (2) The Treasurer of State shall then make monthly transfers
25 from the State Apportionment Fund to the Waste Disposal and Pollution
26 Abatement Facilities Bond Fund of such amount of general revenues for
27 allocation, as that term is defined in the Revenue Stabilization Law, § ~~19-5-~~
28 ~~101~~ 19-20-101 et seq., as shall be required to pay the maturing debt service
29 on bonds issued under this subchapter.

30
31 SECTION 170. Arkansas Code § 15-22-808(a), concerning the Arkansas
32 Water Resources Cost Share Revolving Fund, is amended to read as follows:

33 (a) The Arkansas Water Resources Cost Share Revolving Fund created
34 under § ~~19-5-1042~~ 19-27-233 is a depository for funds which may be
35 appropriated or otherwise secured for cost-sharing with the ~~federal~~
36 ~~government~~ United States Government in local water resources development

1 projects under this subchapter.

2

3 SECTION 171. Arkansas Code § 15-22-1108(a), concerning federal grants
4 deposited into the Safe Drinking Water Fund, is amended to read as follows:

5 (a) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-
6 108 and 19-45-201, grants to the state received by the Treasurer of State
7 from the ~~federal government~~ United States Government for deposit into the
8 Safe Drinking Water Fund are declared to be cash funds restricted in their
9 use and dedicated to be used solely as authorized in this subchapter.

10

11 SECTION 172. Arkansas Code § 15-22-1110 is amended to read as follows:
12 15-22-1110. Withholding general revenue turnback.

13 (a) Should any city, town, county, or political subdivision receiving
14 general revenue turnback funds as defined in the Revenue Stabilization Law, §
15 ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment
16 of principal, interest, or financing fee for a period of more than ninety
17 (90) days past the due date in accordance with the written instrument for the
18 repayment of its bonds, notes, or other evidences of indebtedness purchased
19 with moneys in the Drinking Water State Revolving Loan Fund Account, the
20 Arkansas Natural Resources Commission after notification to the city, town,
21 county, or political subdivision may certify to the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State the name of the
23 city, town, county, or political subdivision and the amount of deficiencies
24 ninety (90) days or more past due.

25 (b) Upon certification, the Treasurer of State, the Auditor of State,
26 and the Chief Fiscal Officer of the State are directed to withhold from the
27 city's, town's, county's, or other political subdivision's share of general
28 revenue turnback as the share is defined in the Revenue Stabilization Law, §
29 ~~19-5-101~~ 19-20-101 et seq., the amount so certified as due and to transfer
30 the amount to the Drinking Water State Revolving Loan Fund Account and the
31 Drinking Water State Administrative Account as follows:

32 (1) Amounts withheld as fees shall be transferred to the
33 Drinking Water State Administrative Account; and

34 (2) Amounts withheld as principal and interest shall be
35 transferred to the Drinking Water State Revolving Loan Fund Account.

36

1 SECTION 173. Arkansas Code § 15-22-1301(1)(D), concerning revenue
2 bonds issued by the Arkansas Natural Resources Commission to provide moneys
3 for certain funds, is amended to read as follows:

4 (D) Water, Sewer, and Solid Waste Systems Revolving Fund
5 established by § ~~19-5-310~~ 19-22-108; and

6
7 SECTION 174. Arkansas Code § 15-22-1313 is amended to read as follows:
8 15-22-1313. Withholding general revenue turnback.

9 (a) Should any city, town, county, or political subdivision receiving
10 general revenue turnback funds as defined in the Revenue Stabilization Law, §
11 ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment
12 of principal, interest, or financing fee for a period of more than ninety
13 (90) days past the due date in accordance with the written instrument for the
14 repayment of its bonds, notes, or other evidences of indebtedness purchased
15 by the Arkansas Natural Resources Commission with proceeds of the
16 commission's bonds issued under this subchapter, after notification to the
17 city, town, county, or political subdivision, the commission may certify to
18 the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of
19 the State the:

20 (1) Name of the city, town, county, or political subdivision;

21 and

22 (2) Amount of deficiencies ninety (90) days or more past due.

23 (b) Upon certification, the Treasurer of State, the Auditor of State,
24 and the Chief Fiscal Officer of the State are directed to withhold from the
25 city's, town's, county's, or other political subdivision's share of general
26 revenue turnback as the share is defined in the Revenue Stabilization Law, §
27 ~~19-5-101~~ 19-20-101 et seq., the amount so certified as due the commission and
28 to transfer the amount as directed by the commission for use as provided by
29 law.

30
31 SECTION 175. Arkansas Code § 15-31-115 is amended to read as follows:
32 15-31-115. Classification of revenues.

33 Income derived from management of state forests by the Arkansas
34 Forestry Commission and income derived from management of state nurseries by
35 the commission shall be classified as special revenues under the Revenue
36 Classification Law, § ~~19-6-101~~ 19-40-101 et seq.

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SECTION 176. Arkansas Code § 15-41-110(a), concerning interest earned on game and fish funds, is amended to read as follows:

(a) The Treasurer of State shall on the second business day that the State Treasury is open after the twenty-fifth day of the month compute the balance of the Game Protection Fund or any other funds administered by the Arkansas State Game and Fish Commission during the preceding month. The Treasurer of State shall transfer on that day to the Game Protection Fund interest on the balances to be computed as authorized under § ~~19-3-518(d)(4)~~ 19-3-318(d)(4).

SECTION 177. Arkansas Code § 16-10-143(a), concerning contracts by the Administrative Office of the Courts with qualified attorneys, is amended to read as follows:

(a) As used in this section, “qualified attorney” means an attorney who:

- (1) Has previously been employed as an attorney by the state regardless of the limitation provided under § ~~19-11-709(d)~~ 19-64-206(d); or
- (2) Is currently serving as a part-time public defender or is otherwise employed by the state as an attorney on a part-time basis.

SECTION 178. Arkansas Code § 16-10-305(g), concerning court costs, is amended to read as follows:

(g) For each conviction for an offense under § 5-26-301 et seq., an additional court cost of twenty-five dollars (\$25.00) shall be assessed and remitted to the Administration of Justice Funds Section by the court clerk for deposit into the Domestic Peace Fund, § ~~19-6-491~~ 19-43-272.

SECTION 179. Arkansas Code § 16-10-313 is amended to read as follows:
16-10-313. Support for State Crime Laboratory.

Notwithstanding §§ 16-10-306, 16-10-307, 16-10-603, 16-10-604, and ~~19-5-993~~ 19-26-275 or any other law to the contrary, twenty-five dollars (\$25.00) of the uniform filing fee collected in circuit court under § 21-6-403(b)(1) shall be deposited into the State Treasury as special revenues to the credit of the Miscellaneous Agencies Fund Account, there to be used solely for the operations and support of the State Crime Laboratory. These

1 moneys shall be in addition to all other sources of funding for the State
2 Crime Laboratory and shall not be used to supplant any other source of
3 funding for the State Crime Laboratory.
4

5 SECTION 180. Arkansas Code § 16-10-314(a), concerning support for
6 Arkansas publicly funded law schools, is amended to read as follows:

7 (a) Notwithstanding §§ 16-10-306, 16-10-307, 16-10-603, 16-10-604, and
8 ~~19-5-993~~ 19-26-275 or any other law to the contrary, fifteen dollars (\$15.00)
9 of the uniform filing fee collected in circuit court under § 21-6-403(b)(1)
10 shall be deposited as follows:
11

12 SECTION 181. Arkansas Code § 16-13-501(b), concerning court reporters
13 as state employees, is amended to read as follows:

14 (b) The Administrative Office of the Courts may employ or contract
15 with a court reporter previously employed by the state for services provided
16 at any time after his or her separation from state employment, regardless of
17 a limitation otherwise provided under § ~~19-11-709(d)~~ 19-64-206(d).
18

19 SECTION 182. Arkansas Code § 16-17-108(a)(50)(D), concerning salaries
20 of personnel and other requirements of Sebastian County District Court, is
21 amended to read as follows:

22 (D) The Sebastian County District Court Judge – Greenwood
23 District shall be bonded in accordance with §§ ~~19-1-401~~ ~~19-1-403~~ 19-1-301 –
24 19-1-303;
25

26 SECTION 183. Arkansas Code § 16-17-1104(b), concerning the salaries of
27 state district court judges, is amended to read as follows:

28 (b) The salaries of the state district court judges are uniform and
29 shall be paid with moneys appropriated from the Constitutional Officers Fund,
30 § ~~19-5-205~~ 19-21-105, by the General Assembly.
31

32 SECTION 184. Arkansas Code § 17-12-502(h), concerning continuing
33 education requirements for certified public accountants, is amended to read
34 as follows:

35 (h) The board in its discretion may require licensees to provide
36 evidence of compliance with the requirements of this section and may

1 investigate licensees to verify compliance with this section. All persons
2 acting on behalf of the board in connection with such investigations shall be
3 considered officers or employees of the State of Arkansas for purposes of:

4 (1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-
5 301 et seq.; and

6 (2) Payment of actual damages on behalf of state officers or
7 employees pursuant to § 21-9-201 et seq.

8
9 SECTION 185. Arkansas Code § 17-12-507(d), concerning the quality
10 review by the Arkansas State Board of Public Accountancy of each practice
11 unit, is amended to read as follows:

12 (d) All persons acting on behalf of the board in a quality review
13 program under this section shall be considered officers or employees of the
14 State of Arkansas for purposes of:

15 (1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-
16 301 et seq.; and

17 (2) Payment of actual damages on behalf of state officers or
18 employees pursuant to § 21-9-201 et seq.

19
20 SECTION 186. Arkansas Code § 17-13-110 is amended to read as follows:

21 17-13-110. Disposition of fees.

22 All fees collected by the State Plant Board under this chapter shall be
23 deposited into the State Treasury as special revenues and credited to the
24 State Plant Board Fund.

25
26 SECTION 187. Arkansas Code § 17-19-301(e)(3)(B)(ii), concerning the
27 nonrefundable fee collected by sheriffs for the Arkansas Public Defender
28 Commission, is amended to read as follows:

29 (ii) The Arkansas Public Defender Commission shall
30 remit quarterly to each county treasurer the county's portion of the fee
31 collected under this section using the formula for the County Aid Fund under
32 § ~~19-5-602~~ 19-25-102.

33
34 SECTION 188. Arkansas Code § 17-87-808(a), concerning liability under
35 the Alternative to Discipline Act, is amended to read as follows:

36 (a) A person acting on behalf of the Arkansas State Board of Nursing

1 in the alternative to discipline program under this section is considered an
2 officer or employee of the State of Arkansas for purposes of:

3 (1) Immunity from civil liability under § ~~19-10-301~~ 25-44-301 et
4 seq.; and

5 (2) Payment of actual damages on behalf of state officers or
6 employees under § 21-9-201 et seq.

7
8 SECTION 189. Arkansas Code § 17-89-204(c), concerning financial
9 reporting and the disposition of funds by the Arkansas Board of Dispensing
10 Opticians, is amended to read as follows:

11 (c) There is created the Arkansas Board of Dispensing Opticians Fund
12 on the books of the Treasurer of State. All moneys collected by the board
13 shall be deposited as special revenues to the credit of that fund.

14
15 SECTION 190. Arkansas Code § 17-89-205 is amended to read as follows:
16 17-89-205. Refund to expenditure.

17 Fines collected by the Arkansas Board of Dispensing Opticians shall be
18 deposited into the Arkansas Board of Dispensing Opticians Fund in the State
19 Treasury as a refund to expenditure for the year in which the deposit is
20 made.

21
22 SECTION 191. Arkansas Code § 17-92-707(a), concerning liability under
23 the program for pharmacists impaired by chemical dependency, is amended to
24 read as follows:

25 (a) All persons acting on behalf of the Arkansas State Board of
26 Pharmacy in the impaired pharmacist program under this section shall be
27 considered officers or employees of the State of Arkansas for purposes of:

28 (1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-
29 301 et seq.; and

30 (2) Payment of actual damages on behalf of state officers or
31 employees pursuant to § 21-9-201 et seq.

32
33 SECTION 192. Arkansas Code § 20-7-408(a)(2), concerning the
34 disposition of certain fees under the Department of Health Public Health
35 Laboratory Act of 2003, is amended to read as follows:

36 (2) So long as the loan is outstanding, all moneys in the State

1 Board of Health Laboratory Revenue Fund shall not be subject to the
2 provisions of §§ ~~19-4-801~~ ~~19-4-803~~, ~~§ 19-4-804 [repealed]~~, ~~§ 19-4-805~~, and
3 ~~§ 19-4-806~~ 19-4-801 – 19-4-805 and shall be deposited, handled, and disbursed
4 as set forth in this subchapter.

5
6 SECTION 193. Arkansas Code § 20-7-410(b), concerning the investment of
7 funds under the Department of Health Public Health Laboratory Act of 2003, is
8 amended to read as follows:

9 (b) All moneys held in the State Board of Health Laboratory Revenue
10 Loan Fund shall be invested and reinvested to the extent feasible, as
11 directed by the Arkansas Development Finance Authority, in securities which
12 are eligible for the securing of public deposits under § ~~19-8-203~~ 19-5-203,
13 subject in all cases to the term of the loan and of bonds issued by the
14 authority.

15
16 SECTION 194. Arkansas Code § 20-8-302(a), concerning the use of funds
17 under the Great Strides Grant Program, is amended to read as follows:

18 (a) The Department of Health shall use funds from the Tobacco
19 Settlement Proceeds Act, § ~~19-12-101~~ 19-90-101 et seq., to establish the
20 Great Strides Grant Program.

21
22 SECTION 195. Arkansas Code § 20-8-1002(a)(2)(A), concerning the
23 administration of the Life Choices Lifeline Program, is amended to read as
24 follows:

25 (2)(A) The procurement of one (1) or more vendors to serve as
26 organizations shall be done through the Arkansas Procurement Law, § ~~19-11-201~~
27 19-61-101 et seq., by the Office of State Procurement.

28
29 SECTION 196. Arkansas Code § 20-8-1003(a)(3), concerning the Continuum
30 of Care Program, is amended to read as follows:

31 (3) The procurement of a vendor shall be done through the
32 Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., by the Office of
33 State Procurement.

34
35 SECTION 197. Arkansas Code § 20-16-2405(a)(1), concerning the duties
36 of the Department of Human Services upon the effective date of the section

1 under the Every Mom Matters Act, is amended to read as follows:

2 (1)(A) Contract with a number of agencies sufficient to ensure
3 that each pregnant woman seeking an abortion in Arkansas receives a resource
4 access assistance offer and has the opportunity to receive care plan
5 coordination services and healthy pregnancy program services.

6 (B) The procurement of a vendor to serve as an agency
7 shall be done through the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et
8 seq., by the Office of State Procurement;

9

10 SECTION 198. Arkansas Code § 20-20-225 is amended to read as follows:
11 20-20-225. Disposition of funds.

12 All moneys received by the State Plant Board under the provisions of
13 this subchapter and the rules adopted pursuant to this subchapter shall be
14 deposited into the State Plant Board Fund of the State Treasury and be used
15 for carrying out the provisions of this subchapter.

16

17 SECTION 199. Arkansas Code § 20-29-103(e)(2), concerning the
18 disposition of funds under the Arkansas Manufactured Home Recovery Act, is
19 amended to read as follows:

20 (2) For the purposes of investment, moneys invested and interest
21 earned thereon shall be administered as trust funds pursuant to the State
22 Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

23

24 SECTION 200. Arkansas Code § 20-45-202(a), concerning the duty of a
25 mental health services provider to take precautions against threatened
26 patient violence, is amended to read as follows:

27 (a) A mental health services provider, hospital, facility, community
28 mental health center, or clinic is not subject to liability, suit, or a claim
29 under § ~~19-10-204~~ 25-44-204 on grounds that a mental health services provider
30 did not prevent harm to an individual or to property caused by a patient if:

31 (1) The patient communicates to the mental health services
32 provider an explicit and imminent threat to kill or seriously injure a
33 clearly or reasonably identifiable potential victim or to commit a specific
34 violent act or to destroy property under circumstances that could easily lead
35 to serious personal injury or death and the patient has an apparent intent
36 and ability to carry out the threat; and

1 (2) The mental health services provider takes the precautions
2 specified in subsection (b) of this section in an attempt to prevent the
3 threatened harm.

4
5 SECTION 201. Arkansas Code § 20-45-202(d), concerning the duty of a
6 mental health services provider to take precautions against threatened
7 patient violence, is amended to read as follows:

8 (d) A mental health services provider, hospital, facility, community
9 mental health center, or clinic is not subject to liability, suit, or claim
10 under § ~~19-10-204~~ 25-44-204 for disclosing a confidential communication made
11 by or relating to a patient if the patient has explicitly threatened to cause
12 serious harm to an individual or to property under circumstances that could
13 easily lead to serious personal injury or death or if the provider has a
14 reasonable belief that the patient poses a credible threat of serious harm to
15 an individual or to property.

16
17 SECTION 202. Arkansas Code § 20-46-302(c)(2), concerning the powers of
18 the Department of Human Services with respect to the regulation of community
19 mental health centers, is amended to read as follows:

20 (2) The restrictions of the Arkansas Procurement Law, § ~~19-11-~~
21 ~~201~~ 19-61-101 et seq.; the General Accounting and Budgetary Procedures Law, §
22 19-4-101 et seq.; the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et
23 seq.; and other fiscal control laws of the state, where applicable, and rules
24 promulgated by the Department of Finance and Administration, as authorized by
25 law, shall be strictly complied with in disbursement of the funds.

26
27 SECTION 203. Arkansas Code § 20-61-101(d)(4)(C), concerning the
28 prohibition on the sale of foreign fish, is amended to read as follows:

29 (C) Any civil penalty collected under this section shall
30 be transmitted to the State Plant Board Fund.

31
32 SECTION 204. Arkansas Code § 20-61-203(a)(5)(C), concerning penalties
33 and injunctive relief under the Arkansas Catfish Marketing Act of 1975, is
34 amended to read as follows:

35 (C) Any civil penalty collected under this section shall
36 be transmitted to the State Plant Board Fund.

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SECTION 205. Arkansas Code § 20-76-303(2), concerning the powers and duties of the State Department for Social Security Administration Disability Determination and the Director of the State Department for Social Security Administration Disability Determination, is amended to read as follows:

(2) To accept and deposit into the State Treasury any funds from whatever source received and to withdraw therefrom such funds as may be required to carry out its functions, powers, and duties and, with respect thereto, to comply fully with the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., and the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and, where more restrictive, with the terms of any agreement entered into with the secretary in relation to the use of any funds made available to the State Department for Social Security Administration Disability Determination by the United States, or by any department or agency thereof. However, the State Department for Social Security Administration Disability Determination shall not have the authority to commit this state, either directly or indirectly, to the expenditure of any state funds in the absence of specific authority granted by the General Assembly; and

SECTION 206. Arkansas Code Title 20, Chapter 76, is amended to add an additional subchapter to read as follows to reenact §§ 19-7-701 – 19-7-708:

Subchapter 9 – Title XX Social Security Funds

20-76-901. Contract services – Advance payment.

(a) In order to provide effective purchased services to the needy citizens of Arkansas, the Secretary of the Department of Human Services is authorized to pay one-twelfth (1/12) of the total amount of a Title XX contract to the service provider on the effective date of the contract. The amount of the advance payment shall be adjusted out of the reimbursement actually earned by the provider during the contract period.

(b) This section will be used only after the secretary has conducted a study of the financial condition of the contracting agency to determine if an advance payment is necessary. If the advance is necessary, the secretary shall forward his or her request and the reasons therefor to the Chief Fiscal Officer of the State for approval.

(c)(1) If the request is approved, the Chief Fiscal Officer of the

1 State shall loan the necessary amount to the appropriate fund accounts within
2 the Department of Human Services from the Budget Stabilization Trust Fund.

3 (2) However, the balance of any loans made under subdivision
4 (c)(1) of this section during the course of a fiscal year shall be recovered
5 by the department and repaid to the fund by June 30 of that fiscal year.

6
7 20-76-902. Minimum program standards.

8 (a) In order to unify and consolidate standards for services of
9 clients under programs funded by Title XX Social Security funds, the
10 Secretary of the Department of Human Services shall establish, by July 1,
11 1980, minimum program standards for the services provided by all government
12 or private agencies under Title XX.

13 (b) In developing these standards, the secretary will consult with
14 such other agencies, organizations, or individuals as may be appropriate.

15 (c) These standards may be amended by the secretary from time to time,
16 provided that the terms of the Arkansas Administrative Procedure Act, § 25-
17 15-201 et seq., are complied with.

18
19 20-76-903. Loan provision.

20 (a) It is found and determined that the continued operations of the
21 Title XX Services Program of the Department of Human Services, in accordance
22 with the approved annual operations plan, are, from time to time, seriously
23 impaired by either administrative oversights and delays by the United States
24 Office of Grants Management or by the processes of federal fiscal year
25 conversion. It is further found and determined that such delays in the proper
26 preparation and transmittal of federal grant award authorizations and letter
27 of credit instruments have created unnecessary hardships on the providers of
28 services and the needy citizens of this state. Therefore, upon certification
29 of the pending availability of federal funding by the Secretary of the
30 Department of Human Services, the Chief Fiscal Officer of the State may grant
31 temporary advances, the maximum amount not to exceed five million dollars
32 (\$5,000,000), from the Budget Stabilization Trust Fund to the appropriate
33 account of the Department of Human Services so affected by such delays.

34 (b) The Chief Fiscal Officer of the State shall recover within a
35 period of twenty (20) days such temporary advances upon receipt of the grant
36 award authorizations or letter of credit instruments.

1
2 20-76-904. Deduction of tax withholding for individual contract
3 providers.

4 (a) It is found and determined that certain rules and regulations of
5 the Social Security Administration and the Internal Revenue Service require
6 the deduction of Federal Insurance Contributions Act and federal income tax
7 withholding from persons providing services under individual purchase-of-
8 service contracts, who are in fact independent contractors, or employees of
9 the person receiving the service, and that there is presently no provision
10 for payment of Federal Insurance Contributions Act and federal income tax
11 withholding for these individuals. It is further found and determined that
12 the use of individual contracts is necessary to the operation of the Title
13 XIX and Title XX programs, particularly in the areas of day care and services
14 to the elderly. Therefore, whenever the regulations of the Social Security
15 Administration or the Internal Revenue Service require the deduction of
16 Federal Insurance Contributions Act or federal income tax withholding for an
17 individual providing services under a Title XX individual purchase-of-service
18 contract, the Department of Human Services may pay the necessary Federal
19 Insurance Contributions Act tax out of federal funds and state or local
20 donated matching funds and may collect the necessary Federal Insurance
21 Contributions Act and federal income tax withholding as agent for the client
22 receiving the services.

23 (b) Individuals for whom Federal Insurance Contributions Act tax is
24 paid and Federal Insurance Contributions Act and federal income tax
25 withholding is deducted under this section shall not be considered as
26 employees of the state for the purposes of determining eligibility for
27 unemployment compensation or workers' compensation, for the purpose of state
28 income tax withholding, or for any other purposes.

29
30 20-76-905. Use of funds.

31 The Secretary of the Department of Human Services is authorized to use
32 funds earned through service fees, audit settlements, or federal program
33 settlements for operation of the Title XX service program. Any unanticipated
34 federal funding received under this provision will be handled in accordance
35 with the terms of the Miscellaneous Federal Grant Act, § 19-7-301 et seq.

36

1 20-76-906. Transfer of funds and appropriations.

2 (a)(1) The Secretary of the Department of Human Services, in
3 accordance with rules established by the Chief Fiscal Officer of the State,
4 shall have the authority to transfer funds and appropriations from the
5 appropriate division of the Department of Human Services to the various
6 agencies of the department which receive allotments of Title XX funds. These
7 transfers shall be limited to the allotment of funds available to each agency
8 within the department.

9 (2)(A) In the event that funds and appropriations transferred
10 under this section are not fully utilized, they will be available for
11 transfer back to the appropriate division of the department for reallocation.

12 (B) It is further intended that if transfer of
13 appropriations among line items appropriated to the appropriate division of
14 the department becomes necessary for effective operation of the program,
15 these shall be made in accordance with rules established by the Chief Fiscal
16 Officer of the State. However, no such transfer will be used to increase
17 authorization for regular salaries.

18 (b) The Chief Fiscal Officer of the State and the secretary shall
19 cooperate to establish such fund accounts for deposit and disbursement of
20 federal and local Title XX funds as are necessary for the orderly operation
21 of a Title XX services program. The Chief Fiscal Officer of the State and the
22 secretary shall establish procedures for the transfers of funds necessary to
23 make reimbursement to providers or to agency fund accounts in payment for
24 eligible services. These procedures will include provision for use of state
25 matching funds where appropriated by law.

26
27 20-76-907. Transfer of retirement benefits.

28 Any employee who is now a member of any retirement system shall not
29 lose any retirement benefits accrued in the system by the reorganization of
30 the Title XX service program. An employee so affected shall have the option
31 of continuing as a member of the retirement system of which the employee is a
32 member at the time of transfer or to join the retirement system for which the
33 transfer makes the employee eligible. However, the affected employee shall
34 make his or her election within six (6) months from the date of transfer.

35
36 20-76-908. Personnel transfers.

1 No employee transferred as a result of the reorganization of the Office
2 of Title XX Services shall lose status under the Arkansas Rules for Merit
3 Systems Administration as a result of transfer.
4

5 SECTION 207. Arkansas Code § 20-78-504(a)(1), concerning moneys for
6 the Arkansas Child Care Facilities Loan Guarantee Trust Fund, is amended to
7 read as follows:

8 (a)(1) After providing for the exclusion of the interest income
9 classified as special revenues as authorized by §§ 15-41-110 and 27-70-204,
10 and for the first two million dollars (\$2,000,000) of interest income
11 received each fiscal year by the Treasurer of State as authorized in § 15-5-
12 422, the next one hundred thousand dollars (\$100,000) of interest income
13 received each fiscal year in the State Treasury beginning with the fiscal
14 year commencing July 1, 1989, and continuing as set forth in subsection (b)
15 of this section from the investment of state funds as authorized by the State
16 Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq., is declared to
17 constitute cash funds restricted in their use and dedicated to be used solely
18 as authorized in § 20-78-503.
19

20 SECTION 208. Arkansas Code § 21-1-402(a)(2)(B), concerning
21 restrictions on other employment by constitutional officers, is amended to
22 read as follows:

23 (B) Employment under this subdivision (a)(2) shall not be
24 approved if the employment will violate §§ ~~19-11-701~~ ~~19-11-709~~ 19-64-101 -
25 19-64-103 and §§ 19-64-201 - 19-64-206.
26

27 SECTION 209. Arkansas Code § 21-1-403(c), concerning restrictions on
28 lease agreements, contracts, and grants by constitutional officers, is
29 amended to read as follows:

30 (c)(1) Constitutional officers shall not enter into professional and
31 consultant services contracts with state agencies subject to §§ ~~19-11-1001~~
32 ~~19-11-1011~~ 19-67-101 - 19-67-104 and §§ 19-67-201 - 19-67-205.

33 (2) Any professional and consultant services contracts obtained
34 by constitutional officers or their spouses with any state agency exempt from
35 §§ ~~19-11-1001~~ ~~19-11-1011~~ 19-67-101 - 19-67-104 and §§ 19-67-201 - 19-67-205
36 must receive prior review of the Joint Budget Committee during legislative

1 sessions and the Legislative Council between legislative sessions.

2

3 SECTION 210. Arkansas Code § 21-1-610(e)(1), concerning the reward to
4 a state employee when communication of waste or violation results in the
5 savings of state funds, is amended to read as follows:

6 (e)(1) A state employee may appeal to the Arkansas State Claims
7 Commission in the same manner for filing a claim under § ~~19-10-208~~ 25-44-208
8 if the state employee believes that:

9 (A) A report under subdivision (d)(2)(A) of this section
10 does not accurately reflect the savings attributable to the changes made
11 based on the communication under § 21-1-603; or

12 (B) The state employer did not accurately assess the
13 determination of a reward under this section, including without limitation
14 denying a reward to the state employee.

15

16 SECTION 211. Arkansas Code § 21-2-711(c)(1)(C), concerning the Self-
17 Insured Fidelity Bond Trust Fund, is amended to read as follows:

18 (C) For the purposes of investment, fund moneys invested
19 and interest earned on fund moneys invested shall be administered as trust
20 funds under § ~~19-3-518~~ 19-3-318.

21

22 SECTION 212. Arkansas Code § 21-5-224(a)(3), concerning extra help
23 positions under the Uniform Classification and Compensation Act, is amended
24 to read as follows:

25 (3) Extra help employees of state agencies shall not exceed one
26 thousand five hundred (1,500) hours per fiscal year as set out in § ~~19-4-521~~
27 19-4-512.

28

29 SECTION 213. Arkansas Code § 21-5-404(10)(A), concerning the powers,
30 functions, and duties of the State Board of Finance, is amended to read as
31 follows:

32 (10)(A) To direct the office to contract with qualified vendors,
33 as defined by the board, offering the plan options under the program as
34 prescribed by the board without regard to § ~~19-11-228~~ 19-61-502 or other
35 statutes requiring competitive bidding.

36

1 SECTION 214. Arkansas Code § 21-5-423(a)(2), concerning the Public
2 School Employee Health Benefit Advisory Commission, is amended to read as
3 follows:

4 (2) An appointee under this section who has a conflict of
5 interest as described in § ~~19-11-718~~ 19-64-503 is disqualified from serving
6 on the commission.

7
8 SECTION 215. Arkansas Code § 21-5-424(a)(2), concerning the State
9 Employee Health Benefit Advisory Commission, is amended to read as follows:

10 (2) An appointee under this section who has a conflict of
11 interest as described in § ~~19-11-718~~ 19-64-503 is disqualified from serving
12 on the commission.

13
14 SECTION 216. Arkansas Code § 21-5-704(b)(2)(A), concerning the payment
15 of a claim to covered public employees, their designated beneficiaries, or
16 their survivors, is amended to read as follows:

17 (2)(A) Except as provided in subdivision (b)(2)(B) of this
18 section, the funds shall not be reimbursed by transfer or charging the funds
19 against any state funds allocated for turnback to cities or counties or
20 distributed to the ~~State Highway and Transportation Department~~ Arkansas
21 Department of Transportation Fund or distributed to any Division of
22 Correction fund account or any other state department agency fund account
23 other than the Arkansas State Claims Commission fund accounts and the
24 Miscellaneous Revolving Fund or state funds levied for firefighters, police
25 officers, employees of the Arkansas Department of Transportation, and
26 employees of the Division of Correction for pension purposes.

27
28 SECTION 217. Arkansas Code § 21-6-302(b), concerning county
29 treasurers, is amended to read as follows:

30 (b) Unless otherwise provided under subdivision (f)(1) of this section
31 or subsection (g) of this section or under § 6-13-701, § 6-17-908, § 6-20-
32 221, § 8-15-111, § 14-90-913, § 14-174-109, § 14-284-403, or § ~~19-5-1096~~ 19-
33 27-268, the county treasurers shall collect, as a treasurer's commission, two
34 percent (2%) on all funds coming into their hands as treasurers and to be
35 paid out of the respective funds.

36

1 SECTION 218. Arkansas Code § 22-1-101(a)(1), concerning the
2 definitions used in relation to the sale of surplus commodities to not-for-
3 profit organizations, is amended to read as follows:

4 (1) "Commodities" means commodities under § ~~19-11-203~~ 19-61-103;
5 and

6
7 SECTION 219. Arkansas Code § 22-2-115(c), concerning lease-purchase
8 agreements under the Building Authority Division Act, is amended to read as
9 follows:

10 (c) The General Accounting and Budgetary Procedures Law, § 19-4-101 et
11 seq., the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the
12 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and other applicable
13 fiscal laws of this state shall be strictly complied with regarding this
14 section.

15
16 SECTION 220. Arkansas Code § 22-3-1212(a)(1), concerning certificates
17 of indebtedness under the Public Facilities Finance Act of 1983, is amended
18 to read as follows:

19 (a)(1) The state funds which may be used by the State Board of Finance
20 in making the purchases of the certificates of indebtedness are those
21 specifically referred to under the provisions of the State Treasury
22 Management Law, § ~~19-3-501~~ 19-3-301 et seq.

23
24 SECTION 221. Arkansas Code § 22-3-1225(b)(1), concerning the Prison
25 Construction Trust Fund, is amended to read as follows:

26 (b)(1) The Arkansas Development Finance Authority shall pay from the
27 Prison Construction Trust Fund into the Public Facilities Debt Service Fund
28 created by §§ ~~19-5-932~~ 19-26-224 and 22-3-1210 the amount necessary, when
29 added to other funds listed in § 22-3-1210, to pay the next-succeeding
30 principal and interest payment for the certificates of indebtedness, but not
31 to exceed twenty-five cents (25¢) times the number of annual license plate
32 validation decals sold by the Department of Finance and Administration in
33 each six-month period.

34
35 SECTION 222. Arkansas Code § 22-5-101(e), concerning the program for
36 growing pine on highway rights-of-way and the disposition of the proceeds, is

1 amended to read as follows:

2 (e) When a program authorized by this section is initiated, the net
3 proceeds derived from the sale of pine grown on the state highway rights-of-
4 way or other highway-related areas owned by the state or the department shall
5 be deposited into the State Treasury as special revenues. Fifty percent (50%)
6 thereof shall be credited to the ~~State Highway and Transportation Department~~
7 Arkansas Department of Transportation Fund, and fifty percent (50%) thereof
8 shall be credited to the State Forestry Fund.

9

10 SECTION 223. Arkansas Code § 22-6-601(j), concerning the sale
11 procedure for the sale of state lands, is amended to read as follows:

12 (j) Upon receipt thereof, the proceeds of the sale, including any
13 liquidated damages, shall be deposited into the State Treasury, as a
14 nonrevenue receipt, to the credit of the fund from which the state agency is
15 operated. Any unexpended balance of such proceeds remaining at the end of
16 each fiscal year as certified to the Chief Fiscal Officer of the State by the
17 state agency director may be carried forward until the end of the biennium
18 following the biennium in which collected, after which any remaining balances
19 shall be subject to § ~~19-5-1004~~ 19-27-204.

20

21 SECTION 224. Arkansas Code § 22-8-102(a)(3), concerning the
22 definitions used in relation to the leasing and renting of vehicles by state
23 agencies, is amended to read as follows:

24 (3) "State agency" means the same as defined in § ~~19-11-203~~ 19-
25 61-103.

26

27 SECTION 225. Arkansas Code § 22-8-102(e), concerning the leasing and
28 renting of vehicles by state agencies, is amended to read as follows:

29 (e) It is a violation of state procurement laws, Arkansas Code Title
30 19, ~~Chapter 11 Subtitle 4~~, for a state agency official to conduct multiple
31 rentals of a motor vehicle to avoid the approval and review requirements of
32 this section.

33

34 SECTION 226. Arkansas Code § 22-8-203(5), concerning the definitions
35 used under the Automobile and Pickup Truck Acquisition Act for the State of
36 Arkansas, is amended to read as follows:

1 (5) "State agency" means a state agency, board, commission,
2 department, or institution of higher education which derives any financial
3 support from the fund accounts enumerated in §§ ~~19-5-302~~ ~~19-5-304~~, ~~19-5-~~
4 ~~306~~, ~~19-5-307~~, ~~19-5-1011~~, ~~19-6-404~~, ~~19-6-411~~ 19-22-102 – 19-22-104, 19-22-
5 106, 19-22-107, 19-27-211, 19-43-203, 19-43-210, and 25-4-117;

6
7 SECTION 227. Arkansas Code § 22-8-206(c)(1), concerning the purchase
8 of automobiles under the Automobile and Pickup Truck Acquisition Act for the
9 State of Arkansas, is amended to read as follows:

10 (c)(1) The Motor Vehicle Acquisition Revolving Fund shall be financed
11 by its proportionate share of moneys made available from:

12 (A) The allocation of general revenues as authorized by
13 the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

14 (B) Moneys made available upon the disposal of used
15 vehicles, which moneys shall be deposited to the credit of the Motor Vehicle
16 Acquisition Revolving Fund rather than being deposited to the owning state
17 agency's fund;

18 (C) Deposits of moneys from benefitting state agencies;
19 and

20 (D) Transfers from other State Treasury funds and fund
21 accounts of benefitting state agencies.

22
23 SECTION 228. Arkansas Code § 22-8-207 is amended to read as follows:
24 22-8-207. Purchase from qualified vendors.

25 The Secretary of the Department of Finance and Administration shall
26 have the authority to purchase new or used vehicles from qualified vendors in
27 accordance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

28
29 SECTION 229. Arkansas Code § 22-8-210(a), concerning motor vehicle
30 renovation under the Automobile and Pickup Truck Acquisition Act for the
31 State of Arkansas, is amended to read as follows:

32 (a) Funds deposited into the Motor Vehicle Acquisition Revolving Fund
33 created by § ~~19-5-1002(a)~~ 19-27-202 and § 22-8-206(b), which may be made
34 available for the purchase of motor vehicles for the Division of Arkansas
35 State Police, may in addition be made available and used for expenses
36 associated with the renovation of state police motor vehicles.

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SECTION 230. Arkansas Code § 22-9-202(b)(2), concerning the construction of certain statutes related to the award of contracts for public works, is amended to read as follows:

(2) This section and §§ 22-9-203 and 22-9-204 do not prevent a county government from separately procuring:

(A) Commodities in accordance with § 14-22-101 et seq.;

(B) Professional services in accordance with § ~~19-11-801~~ 19-65-101 et seq.; or

(C) Construction work from one (1) or more separate contractors under separate contract or invoice so that the work is not included in calculating the bid requirement threshold of fifty thousand dollars (\$50,000).

SECTION 231. Arkansas Code § 22-9-904(e)(2), concerning the Public Works Committee, is amended to read as follows:

(2) The individual members of the committee are immune to the same extent as state employees under § ~~19-10-305~~ 25-44-305.

SECTION 232. Arkansas Code § 22-9-906(a)(1), concerning the selection of vendors under the Fair Notice and Efficiency in Public Works Act, is amended to read as follows:

(a)(1) The Office of State Procurement shall select three (3) vendors using the procedures for the procurement of professional services under § ~~19-11-801~~ 19-65-101 et seq.

SECTION 233. Arkansas Code § 22-9-909 is amended to read as follows:
22-9-909. Multiyear contracts.

A contract with a vendor under this subchapter is subject to the restrictions of § ~~19-11-238~~ 19-61-512.

SECTION 234. Arkansas Code § 22-10-301(b), concerning the procurement requirements under the Partnership for Public Facilities and Infrastructure Act, is amended to read as follows:

(b) In selecting a qualified respondent:

(1) Sections ~~19-11-801~~ 19-65-101 et seq. apply;

- 1 (2) Competitive bidding shall not be used; and
2 (3) The responsible public entity shall follow the procedure
3 established for the selection of a qualified respondent in the rules
4 promulgated under this chapter.

5

6 SECTION 235. Arkansas Code § 22-10-501(b)(2), concerning review and
7 approval of projects under the Partnership for Public Facilities and
8 Infrastructure Act, is amended to read as follows:

9 (2) Before execution of a comprehensive agreement, the
10 responsible public entity shall:

11 (A) Conduct a public hearing in accordance with the
12 requirements of § ~~19-9-607~~ 19-6-607;

13 (B) Satisfy any requirements established by the rules
14 promulgated under this chapter; and

15 (C) After conducting a public hearing under subdivision
16 (b)(2)(A) of this section and receiving approval of the proposed
17 comprehensive agreement under subdivision (b)(1)(B) of this section,
18 authorize the execution of the comprehensive agreement by order, ordinance,
19 or resolution at a public meeting that complies with § 25-19-106.

20

21 SECTION 236. Arkansas Code § 23-1-103(b)(4), concerning compliance
22 with Acts 1935, No. 324, and rules of Arkansas Public Service Commission and
23 penalties for noncompliance, is amended to read as follows:

24 (4) The proceeds from the civil sanctions imposed under this
25 subsection shall be deposited into the State Treasury as special revenues and
26 credited to the Arkansas Public Service Commission Fund.

27

28 SECTION 237. Arkansas Code § 23-1-114(c), concerning civil sanctions
29 for violation of Acts 1919, No. 571, and Acts 1921, No. 124, is amended to
30 read as follows:

31 (c) The proceeds from the civil sanctions imposed under this section
32 shall be deposited into the State Treasury as special revenues and credited
33 to the Arkansas Public Service Commission Fund.

34

35 SECTION 238. Arkansas Code § 23-4-202(c)(4), concerning rate schedules
36 for water, gas, or electricity, is amended to read as follows:

1 (4) The proceeds from the civil sanctions imposed under this
2 section shall be deposited into the State Treasury as special revenues and
3 credited to the Arkansas Public Service Commission Fund.

4
5 SECTION 239. Arkansas Code § 23-4-203(b)(4), concerning water, gas, or
6 electricity utility bills, is amended to read as follows:

7 (4) The proceeds from the civil sanctions imposed under this
8 section shall be deposited into the State Treasury as special revenues and
9 credited to the Arkansas Public Service Commission Fund.

10
11 SECTION 240. Arkansas Code § 23-12-1005(b), concerning action on a
12 complaint for inadequate action or unreasonable refusal under the Railroad
13 Safety and Regulatory Act of 1993, is amended to read as follows:

14 (b)(1) If the state owns the highway where the questioned crossing is
15 located, all moneys recovered under the provisions of this section shall be
16 placed into the ~~State Highway and Transportation Department~~ Arkansas
17 Department of Transportation Fund.

18 (2) All other moneys recovered under this section shall be
19 divided equally between the ~~State Highway and Transportation Department~~
20 Arkansas Department of Transportation Fund and the general, road, or highway
21 fund of the county or municipality which owns the highway, road, or street
22 where the questioned crossing is located.

23
24 SECTION 241. Arkansas Code § 23-12-1008(c), concerning action on a
25 complaint for unlawful delay under the Railroad Safety and Regulatory Act of
26 1993, is amended to read as follows:

27 (c)(1) If the crossing where a violation occurs is located within the
28 boundaries of a city or town, one-half ($\frac{1}{2}$) of the moneys recovered under the
29 provisions of this section and §§ 23-12-1006 and 23-12-1007 shall be placed
30 in the general fund or street fund of the municipality and one-half ($\frac{1}{2}$) of
31 the funds shall be placed in the ~~State Highway and Transportation Department~~
32 Arkansas Department of Transportation Fund.

33 (2) All other moneys recovered under the provisions of this
34 section shall be divided equally between the ~~State Highway and Transportation~~
35 Department Arkansas Department of Transportation Fund and the general road
36 fund of the county in which the violation occurred.

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SECTION 242. Arkansas Code § 23-13-265(g), concerning the requirement that an exempt motor carrier possess an annual receipt, is amended to read as follows:

(g) All fees received by the commission pursuant to subsection (a) of this section shall be deposited with the Treasurer of State and classified as general revenues for distribution and usage as provided by the laws of this state; provided, one and one-half percent (1.5%) of all the funds so deposited shall be classified as special revenues and transferred by the Treasurer of State on the last business day of each month in which they are deposited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund to be utilized by the Arkansas Department of Transportation for the purpose of administering this subchapter.

SECTION 243. Arkansas Code § 23-13-604(b), concerning registration fees for motor carriers engaged in interstate commerce, is amended to read as follows:

(b) Upon receipt of the funds and if not prohibited by the Unified Carrier Registration Act of 2005, Pub. L. No. 109-59, § 4301 et seq., the Treasurer of State shall:

(1) Deduct three percent (3%) of the funds as a charge by the state for its services as specified in this section; and

(2) Credit the three percent (3%) to the Constitutional Officers Fund and the State Central Services Fund, as defined in the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq., or to any successor State Treasury fund or funds established by law to replace the Constitutional Officers Fund and the State Central Services Fund.

SECTION 244. Arkansas Code § 23-13-604(c)(1), concerning the distribution of the net amount of registration fees for motor carriers engaged in interstate commerce, is amended to read as follows:

(1) Transferred by the Treasurer of State on the last business day of each month to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund; and

SECTION 245. Arkansas Code § 23-15-216 is amended to read as follows:

1 23-15-216. Disposition of funds.

2 On receipt of the fees, charges, and penalties provided for in this
3 subchapter, the secretary of the Arkansas Public Service Commission shall pay
4 the fees, charges, and penalties into the State Treasury. The amounts
5 received by the Treasurer of State shall be credited by him or her as special
6 revenues and designated as the "Arkansas Public Service Commission Utility
7 Safety Fund", which will be a separate fund account established by the
8 Treasurer of State.

9

10 SECTION 246. Arkansas Code § 23-16-105(c), concerning the statement of
11 fees due from rail carriers and related charges and penalties, is amended to
12 read as follows:

13 (c) On receipt of the fees and charges provided for in this
14 subchapter, the department shall deposit the fees and charges with the
15 Treasurer of State, and the amount so received by the Treasurer of State
16 shall be classified by the Treasurer of State as special revenues and
17 transferred, by the Treasurer of State on the last business day of the month
18 such amounts are deposited, to the ~~State Highway and Transportation~~
19 ~~Department~~ Arkansas Department of Transportation Fund, there, notwithstanding
20 the provisions of any law to the contrary, to be utilized by the department
21 for the purposes of administering the laws of this state which the State
22 Highway Commission and the department are responsible for administering with
23 regard to rail carriers and for the construction, reconstruction, and
24 maintenance of highways and bridges in the state highway system.

25

26 SECTION 247. Arkansas Code § 23-18-1205(a)(2), concerning the Rural
27 Broadband I.D. Expenses Trust Fund Grant Program, is amended to read as
28 follows:

29 (2) The investment of funds under this section is exempt from §
30 ~~19-3-518(a)(2)(B)(i)(b) and (c)~~ 19-3-318(a)(2)(B)(i)(b) and (c).

31

32 SECTION 248. Arkansas Code § 23-18-1205(b), concerning the Rural
33 Broadband I.D. Expenses Trust Fund Grant Program, is amended to read as
34 follows:

35 (b) Moneys in the Rural Broadband I.D. Expenses Trust Fund may be
36 invested in any instrument that is:

1 (1) Listed in § ~~19-3-518(b)(1)(B)~~ 19-3-318(b)(1)(B); and

2 (2) Approved under the guidelines established by the State
3 Treasury investment policy approved by the State Board of Finance.

4
5 SECTION 249. Arkansas Code § 23-42-211(a), concerning the disposition
6 of fees under the Arkansas Securities Act, is amended to read as follows:

7 (a)(1) There is created on the books of the Chief Fiscal Officer of
8 the State, the Auditor of State, and the Treasurer of State a fund to be
9 known as the "State Securities Department Fund".

10 (2) The State Securities Department Fund shall be used for the
11 maintenance, operation, support, and improvement of the State Securities
12 Department in carrying out its functions, powers, and duties as set out by
13 law and by rule not inconsistent with law.

14 (3) The State Securities Department Fund shall consist of those
15 portions of fees designated for deposit into the State Securities Department
16 Fund under § 23-42-304(a)(2), (a)(4), and (a)(5), § 23-42-404(b)(1), and §
17 23-42-509(a).

18 (4) Notwithstanding subdivision (a)(3) of this section, at the
19 end of each fiscal year, the Securities Commissioner shall transfer into the
20 General Revenue Fund Account of the State Apportionment Fund any moneys in
21 the State Securities Department Fund that exceed the amount of the
22 department's next fiscal-year budget.

23
24 SECTION 250. Arkansas Code § 23-42-304(a), concerning filing fees
25 under the Arkansas Securities Act, is amended to read as follows:

26 (a) Every applicant for initial or renewal registration, every person
27 making a notice filing as required by § 23-42-301, every exempt reporting
28 adviser, and every investment adviser to a private fund shall pay a filing
29 fee of:

30 (1) Three hundred dollars (\$300) in the case of a broker-dealer;

31 (2) Seventy-five dollars (\$75.00) in the case of an agent, of
32 which twenty-five dollars (\$25.00) shall be designated as special revenues
33 and shall be deposited into the State Securities Department Fund;

34 (3) Three hundred dollars (\$300) in the case of an investment
35 adviser;

36 (4) Seventy-five dollars (\$75.00) in the case of a

1 representative, of which twenty-five dollars (\$25.00) shall be designated as
2 special revenues and shall be deposited into the State Securities Department
3 Fund;

4 (5) Fifty dollars (\$50.00) in the case of a branch office, of
5 which the entire amount shall be designated as special revenues and deposited
6 into the State Securities Department Fund; and

7 (6) Three hundred dollars (\$300) in the case of an exempt
8 reporting adviser or investment adviser to a private fund that complies with
9 exemption requirements.

10
11 SECTION 251. Arkansas Code § 23-42-404(b)(1), concerning registration
12 statements under the Arkansas Securities Act, is amended to read as follows:

13 (b)(1) Every person filing a registration statement shall pay a filing
14 fee of one-tenth percent (0.1%) of the maximum aggregate offering price at
15 which the registered securities are to be offered in this state, but the fee
16 shall in no case be less than one hundred fifty dollars (\$150) nor more than
17 two thousand dollars (\$2,000). Any portion of the fee in excess of one
18 thousand dollars (\$1,000) shall be designated as special revenues and shall
19 be deposited into the State Securities Department Fund. When a registration
20 statement is withdrawn before the effective date or a preeffective stop order
21 is entered under § 23-42-405, the Securities Commissioner shall retain one
22 hundred fifty dollars (\$150) of the filing fee.

23
24 SECTION 252. Arkansas Code § 23-42-509(a)(1)(A), concerning
25 information required to be in a notice filing for a covered security under
26 the Arkansas Securities Act, is amended to read as follows:

27 (1)(A) Prior to the initial offering of such a covered security
28 in this state, all documents that are part of a current federal registration
29 statement filed with the United States Securities and Exchange Commission
30 under the Securities Act of 1933, together with a consent to service of
31 process signed by the issuer and with a fee in the amount of one-tenth
32 percent (0.1%) of the maximum aggregate offering price at which the covered
33 securities are to be offered in this state, but the fee shall in no case be
34 less than one hundred fifty dollars (\$150) nor more than two thousand dollars
35 (\$2,000). Any portion of the fee in excess of one thousand dollars (\$1,000)
36 shall be designated as special revenues and shall be deposited into the State

1 Securities Department Fund. When a notice filing is withdrawn before the
2 effective date, the commissioner shall retain one hundred fifty dollars
3 (\$150) of the filing fee.

4
5 SECTION 253. Arkansas Code § 23-46-209(b), concerning the disposition
6 of funds collected by the State Bank Department, is amended to read as
7 follows:

8 (b) All fees and other revenues received by the department shall be
9 deposited into the State Treasury as special revenues and credited to the
10 State Bank Department Fund to be used solely for the payment of the expenses
11 of the department pursuant to the appropriations therefor.

12
13 SECTION 254. Arkansas Code § 23-48-907(d), concerning examinations,
14 periodic reports, cooperative agreements, and fees related to interstate bank
15 mergers and branching, is amended to read as follows:

16 (d) The commissioner may enter into contracts with any bank
17 supervisory agency that has concurrent jurisdiction over a state bank or an
18 out-of-state state-chartered bank operating a branch in this state pursuant
19 to this subchapter to engage the services of the agency's examiners at a
20 reasonable rate of compensation, or to provide the services of the
21 commissioner's examiners to the agency at a reasonable rate of compensation.
22 Any such contract shall be deemed a sole source contract under § ~~19-11-232~~
23 19-61-507.

24
25 SECTION 255. Arkansas Code § 23-51-181(d), concerning examinations,
26 periodic reports, cooperative agreements, and the assessment of fees under
27 the Arkansas Trust Institutions Act, is amended to read as follows:

28 (d) The commissioner may enter into contracts with any bank
29 supervisory agency that has concurrent jurisdiction over a state trust
30 institution or an out-of-state trust institution maintaining an office in
31 this state to engage the services of the agency's examiners at a reasonable
32 rate of compensation, or to provide the services of the commissioner's
33 examiners to the agency at a reasonable rate of compensation. Any such
34 contract shall be deemed a sole source contract under § ~~19-11-232~~ 19-61-507.

35
36 SECTION 256. Arkansas Code § 23-61-606(a), concerning the procurement

1 of insurance or surety bonding, is amended to read as follows:

2 (a) The State Procurement Director shall procure insurance or surety
3 bonding in accordance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-
4 101 et seq., unless the risk manager determines that it is in the best
5 interest of the state for the director to procure insurance or surety bonding
6 by negotiation, or for any state agency to procure all or part of its own
7 insurance or surety bonding.

8

9 SECTION 257. Arkansas Code § 23-79-504(b)(2), concerning the Arkansas
10 Comprehensive Health Insurance Pool, is amended to read as follows:

11 (2) Except to the extent defined in this subchapter, the pool
12 will be exempt from:

13 (A) All state, county, and local taxes;

14 (B) The Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et
15 seq.;

16 (C) The Freedom of Information Act of 1967, § 25-19-101 et
17 seq.; and

18 (D) The Arkansas Administrative Procedure Act, § 25-15-201
19 et seq.

20

21 SECTION 258. Arkansas Code § 23-102-104(b), concerning the
22 establishment of the Arkansas Earthquake Authority, is amended to read as
23 follows:

24 (b) The authority shall be exempt from all state, county, and local
25 taxes, including insurance premium taxes, the Arkansas Procurement Law, § ~~19-~~
26 ~~11-201~~ 19-61-101 et seq., and the Arkansas Administrative Procedure Act, §
27 25-15-201 et seq., except to the extent defined in this chapter.

28

29 SECTION 259. Arkansas Code § 23-110-104(b), concerning the disposition
30 of license fees and fines under the Arkansas Horse Racing Law, is amended to
31 read as follows:

32 (b) The Treasurer of State shall allocate and transfer the general
33 revenues referred to in subsection (a) of this section to the various State
34 Treasury funds participating in general revenues in the respective
35 proportions to each as provided by and to be used for the respective purposes
36 set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

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SECTION 260. Arkansas Code § 23-111-104(b), concerning the disposition of funds under the Arkansas Greyhound Racing Law, is amended to read as follows:

(b) The Treasurer of State shall allocate and transfer the money to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by, and to be used for the respective purposes set forth in, the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 261. Arkansas Code § 23-112-205(a) and (b), concerning the disposition of funds under the Arkansas Motor Vehicle Commission Act, are amended to read as follows:

(a) All funds received by the Arkansas Motor Vehicle Commission shall be deposited into the State Treasury as special revenues to the credit of a special fund to be known as the "Arkansas Motor Vehicle Commission Fund".

(b) All expenses incurred in the organization, maintenance, operation, and motor vehicle education and training of the commission shall be paid from the special fund, and the expenditure of all funds shall be subject to the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and other applicable fiscal laws.

SECTION 262. Arkansas Code § 23-115-206(a)(10)(B)(v), concerning the information required to be contained in the estimated annual operating budget required to be submitted by the Office of the Arkansas Lottery to the Legislative Council under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(v) Contain a schedule of the total amounts of regular salaries, extra help compensation, overtime compensation, and personal services matching as defined in § ~~19-4-521~~ 19-4-512; and

SECTION 263. Arkansas Code § 23-115-208(d), concerning sovereign immunity under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(d)(1)(A) Except as provided in subdivisions (d)(2)-(4) of this

1 section, appeals of claims in contract or in tort against the office or its
2 employees shall be conducted by the commission in the same manner as a claim
3 under § ~~19-10-201~~ 25-44-201 et seq.

4 (B) The commission shall consider an appeal de novo.

5 (2) A decision of the commission relating to a claim in contract
6 or in tort against the office or its employees shall not be appealed to the
7 General Assembly.

8 (3)(A) A valid claim in any amount against the office shall not
9 be referred to the General Assembly for an appropriation.

10 (B) The Clerk of the Arkansas State Claims Commission
11 shall notify the office of the amount of the valid claim.

12 (C) Upon receipt of notification from the clerk, the
13 office shall deliver a check to the clerk, who shall deposit the sum as a
14 nonrevenue receipt into the Miscellaneous Revolving Fund from which he or she
15 shall disburse the amount of the claim to the claimant.

16 (4) Written reports under § ~~19-10-212~~ 25-44-212 shall be filed
17 with the Legislative Council.

18
19 SECTION 264. Arkansas Code § 23-115-211(1)-(3), concerning the
20 provisions of the law that are inapplicable to the Office of the Arkansas
21 Lottery under the Arkansas Scholarship Lottery Act, are amended to read as
22 follows:

23 (1) Section ~~19-1-301 et seq.~~ 14-1-111;

24 (2) Section ~~19-4-1802~~ 19-4-1702;

25 (3) Section ~~19-5-206~~ 19-21-106;

26
27 SECTION 265. Arkansas Code § 23-115-303(d)(2), concerning prohibitions
28 on employees of the Office of the Arkansas Lottery, is amended to read as
29 follows:

30 (2)(A) Subdivision (d)(1) of this section is supplemental to §
31 ~~19-11-701~~ 19-64-101 et seq.

32 (B) If any provision of § ~~19-11-701~~ 19-64-101 et seq.
33 would impose a restriction on a specific employee greater than the
34 restrictions under subdivision (d)(1) of this section, the provision of § ~~19-~~
35 ~~11-701~~ 19-64-101 et seq. shall apply.

36

1 SECTION 266. Arkansas Code § 23-115-701(b), concerning procurements by
2 the Office of the Arkansas Lottery, is amended to read as follows:

3 (b) Except as provided in subsections (c) and (d) of this section, the
4 office shall comply with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101
5 et seq.

6
7 SECTION 267. Arkansas Code § 23-115-1101(c)(1), concerning the duties
8 of the Legislative Council under the Arkansas Scholarship Lottery Act, is
9 amended to read as follows:

10 (c)(1) During a regular, fiscal, or extraordinary session of the
11 General Assembly, the Joint Budget Committee shall perform the functions
12 assigned to the Legislative Council under:

- 13 (A) This chapter;
14 (B) Section 6-60-902;
15 (C) Section 6-60-903;
16 (D) Section 6-85-205;
17 (E) Section 6-85-212;
18 (F) Section 6-85-216;
19 (G) Section 6-85-219;
20 (H) Section 6-85-220; and
21 (I) Section ~~19-10-212~~ 25-44-212.

22
23 SECTION 268. Arkansas Code § 24-2-618(f)(1), concerning the delegation
24 of investment and management functions by trustees of state retirement
25 systems, is amended to read as follows:

26 (f)(1) Notwithstanding the Arkansas Procurement Law, § ~~19-11-201~~ 19-
27 61-101 et seq., the boards of trustees of the respective state retirement
28 systems shall promptly implement their investment directives consistent with
29 the duty of care required of a fiduciary under the prudent investor rules in
30 this chapter.

31
32 SECTION 269. Arkansas Code § 24-2-618(g)(1), concerning the delegation
33 of investment and management functions by trustees of state retirement
34 systems, is amended to read as follows:

35 (g)(1) The length of a contract or other investment agreement and any
36 renewal or extension of the contract or other investment agreement may be

1 agreed upon by a state retirement system and the other party to the contract
2 or other investment agreement and is exempt from the mandatory expiration
3 provisions under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.,
4 if the contract or other investment agreement is procured under the Arkansas
5 Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the purpose of the
6 contract or other investment agreement is to:

7 (A) Invest and manage a system's trust assets under § 24-
8 2-610;

9 (B) Provide actuarial services to determine the
10 liabilities and financial status of a state retirement plan;

11 (C) Retain custody of a system's trust assets; or

12 (D) Protect and recover trust assets of a system.
13

14 SECTION 270. Arkansas Code § 24-2-618(g)(3) and (4), concerning the
15 delegation of investment and management functions by trustees of state
16 retirement systems, are amended to read as follows:

17 (3) The board of trustees of a state retirement system shall
18 submit information requested by the Legislative Council concerning a contract
19 or other investment agreement procured under the Arkansas Procurement Law, §
20 ~~19-11-201~~ 19-61-101 et seq.

21 (4) A partial equity ownership agreement between a state
22 retirement system and another party shall be reviewed under § ~~19-11-1301~~ 19-
23 69-101 et seq.
24

25 SECTION 271. Arkansas Code § 24-4-202(e)(4), concerning the Arkansas
26 Public Employees' Retirement System Fund, is amended to read as follows:

27 (4) If the interest penalty or delinquent moneys are not
28 received by the system by the last business day of the month in which the
29 moneys were originally due, then the system shall cause the sums of moneys,
30 including interest, to be transferred from any moneys due the participating
31 public employer from the office of the Treasurer of State or the Department
32 of Education as approved in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).
33

34 SECTION 272. Arkansas Code § 24-4-202(f)(3), concerning the penalty
35 for a participating public employer failing to file with the Arkansas Public
36 Employees' Retirement System, is amended to read as follows:

1 (3) If the penalty is not received by the last business day of
2 the month in which the report was due, then the system shall cause the amount
3 to be transferred from any moneys due the participating public employer from
4 the office of the Treasurer of State or the Department of Education as
5 provided in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).

6
7 SECTION 273. Arkansas Code § 24-5-106(b), concerning the establishment
8 of the Arkansas State Highway Employees' Retirement System Fund, is amended
9 to read as follows:

10 (b) The employer shall draw vouchers or cause vouchers to be drawn
11 upon the ~~State Highway and Transportation Department~~ Arkansas Department of
12 Transportation Fund for deposit into the Arkansas State Highway Employees'
13 Retirement System Fund for such sums of money as are provided in § 24-5-109
14 to match employee contributions as certified by the Executive Secretary of
15 the Board of Trustees of the Arkansas State Highway Employees' Retirement
16 System:

17 (1) In accordance with the provisions of this section and §§ 24-
18 5-101 – 24-5-105, 24-5-107 – 24-5-109, and 24-5-112 – 24-5-118; or

19 (2) As provided under § 24-5-137.

20
21 SECTION 274. Arkansas Code § 24-6-209(b)(1), concerning the employer's
22 contribution under the State Police Retirement System, is amended to read as
23 follows:

24 (b)(1) At the request of the Executive Secretary of the State Police
25 Retirement System, the Secretary of the Department of Finance and
26 Administration shall make annual transfers on each June 30 to the system from
27 the remainder of insurance premium taxes enumerated in § ~~19-6-301(27)~~ 19-42-
28 201(27) before those taxes are transferred to general revenues enumerated in
29 § ~~19-6-201(19)~~ 19-41-201(19) the amounts of money necessary to amortize the
30 unfunded liabilities over a period not to exceed thirty (30) years.

31
32 SECTION 275. Arkansas Code § 24-7-411(a)(3), concerning the compelling
33 of payment upon the delinquency of an employer under the Arkansas Teacher
34 Retirement System, is amended to read as follows:

35 (3) If the interest penalty or delinquent moneys are not
36 received by the system by the last business day of the month in which the

1 moneys were originally due, then the system may transfer the sums of moneys,
2 including the interest penalty, from any moneys due the employer from the
3 Treasurer of State and the Department of Education as provided in § ~~19-5-~~
4 ~~106(a)(5)~~ 19-20-106(a)(4).

5
6 SECTION 276. Arkansas Code § 24-7-411(b)(3), concerning the compelling
7 of payment upon the delinquency of an employer under the Arkansas Teacher
8 Retirement System, is amended to read as follows:

9 (3) If the penalty is not received by the last business
10 day of the month in which the report was due, then the system may transfer
11 the penalty amount from any moneys due the employer from the Treasurer of
12 State and the Department of Education as provided in § ~~19-5-106(a)(5)~~ 19-20-
13 106(a)(4).

14
15 SECTION 277. Arkansas Code § 24-11-410(a), concerning the investment
16 of local police pension and relief funds, is amended to read as follows:

17 (a) The board of trustees of the policemen's pension and relief fund
18 shall have the power to draw sums from its treasury, only upon warrants
19 signed by the chair of the board of trustees of the policemen's pension and
20 relief fund and countersigned by the policemen's pension and relief fund, to
21 invest in the name of the board in interest-bearing bonds of the United
22 States, of the State of Arkansas, or of the city in which the board is
23 located, in a local government joint investment trust pursuant to the Local
24 Government Joint Investment Trust Act, § ~~19-8-301~~ 14-79-101 et seq., in the
25 Arkansas Local Police and Fire Retirement System, or in savings and loan
26 associations duly established and authorized to do business in this state.

27
28 SECTION 278. Arkansas Code § 24-11-805(b), concerning the investment
29 of local firemen's pension and relief funds, is amended to read as follows:

30 (b) The board of trustees of the firemen's relief and pension fund
31 shall have the power with the consent of a majority of the firefighters at
32 the time employed, expressed in writing and filed with the city clerk, to
33 authorize the treasurer to draw sums from its treasury to invest in the name
34 of the board in interest-bearing bonds of the United States, of the State of
35 Arkansas, or of the city where the board is located, in a local government
36 joint investment trust pursuant to the Local Government Joint Investment

1 Trust Act, § ~~19-8-301~~ 14-79-101 et seq., the Arkansas Local Police and Fire
2 Retirement System, in certificates of deposit or time deposits in banks duly
3 established and authorized to do business in this state, or in savings and
4 loan associations duly established and authorized to do business in this
5 state.

6

7 SECTION 279. Arkansas Code § 24-12-109(a), concerning the investment
8 of local officer and employee funds, is amended to read as follows:

9 (a) The board of trustees of the pension and relief fund for paid
10 nonuniformed employees shall have the power to draw sums from its treasury to
11 invest in the name of the board of trustees of the pension and relief fund
12 for paid nonuniformed employees in interest-bearing bonds of the United
13 States, of the State of Arkansas, or of the city in which the board is
14 located or in a local government joint investment trust pursuant to the Local
15 Government Joint Investment Trust Act, § ~~19-8-301~~ 14-79-101 et seq.

16

17 SECTION 280. Arkansas Code § 25-1-1202(2), concerning the definitions
18 to be used with respect to prohibited contracts by state agencies, is amended
19 to read as follows:

20 (2) "Contract" means the same as defined in the Arkansas
21 Procurement Law, § ~~19-11-203(5)~~ 19-61-103(5);

22

23 SECTION 281. Arkansas Code § 25-1-1202(4), concerning the definitions
24 to be used with respect to prohibited contracts by state agencies, is amended
25 to read as follows:

26 (4) "State agency" means the same as defined in the Arkansas
27 Procurement Law, § ~~19-11-203(30)~~ 19-61-103(30).

28

29 SECTION 282. Arkansas Code Title 25, Chapter 1, is amended to add an
30 additional subchapter to read as follows to reenact §§ 19-7-201 – 19-7-204:

31 Subchapter 13 – Office of State-Federal Relations

32

33 25-1-1301. Purpose.

34 It is the intent of this subchapter to establish mechanisms through
35 which the legislative and executive branches of state government can work
36 together with Arkansas's congressional delegation to strengthen and support

1 the state's relationship with the federal government and to ensure that the
2 state receives all benefits and aid to which it is entitled.

3
4 25-1-1302. Creation.

5 (a) There is created within the Governor's office an Office of State-
6 Federal Relations for the State of Arkansas, to be located in Washington,
7 D.C.

8 (b) The executive head of the office shall be the Director of the
9 Office of State-Federal Relations. The director shall be appointed by the
10 Governor, subject to confirmation by the Senate, and shall serve at the
11 pleasure of the Governor.

12 (c) All budgeting, purchasing, and related management functions shall
13 be performed under the direction and supervision of the director. The
14 director may delegate his or her functions, powers, and duties to personnel
15 within the office as the director shall deem desirable and necessary for the
16 effective and efficient operation of the office.

17
18 25-1-1303. Duties.

19 The duties of the Office of State-Federal Relations shall include, but
20 not be limited to, the following:

21 (1) Federal Grants:

22 (A) Monitor opportunities for discretionary grants;

23 (B) Identify and comment upon proposed changes in funding
24 formulas; and

25 (C) Keep the Governor's office and state agencies informed
26 on the availability of grants;

27 (2) Federal Regulations:

28 (A) Monitor regulatory developments affecting state
29 government;

30 (B) Support existing and proposed legislation and
31 regulations favoring the interests of the state; and

32 (C) Support the public policy of this state as expressed
33 by the Governor's office, the General Assembly, and agencies, as appropriate;

34 (3) Federal Legislation:

35 (A) Keep the Governor's office, agencies, and the General
36 Assembly informed about proposed legislative developments of critical

1 significance to state government; and

2 (B) Support Arkansas's congressional delegation in efforts
3 to influence federal governmental decisions and policies as they apply to
4 Arkansas;

5 (4) Interstate Cooperation: Facilitate cooperation with other
6 states on issues of mutual concern;

7 (5) Information Clearinghouse: Coordinate the flow of
8 information between state and federal governments;

9 (6) Reporting: Provide regular performance reports to the
10 Governor, the Legislative Council, and the General Assembly to enable
11 evaluation of the effectiveness of the Washington, D.C. office; and

12 (7) Nongovernmental Funding Sources, Programs, etc:

13 (A) Discover information on all available additional
14 funding and other resources and direct it to the appropriate state agency or
15 person within the state; and

16 (B) Take advantage of all resources available on a
17 nationwide basis that can be beneficial to the state and its citizens.

18
19 25-1-1304. Fund.

20 There is created within the Governor's office the Office of State-
21 Federal Relations Fund.

22
23 SECTION 283. Arkansas Code § 25-4-111(d), concerning information
24 technology plans, is amended to read as follows:

25 (d) All state agencies shall comply with the provisions of the
26 Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and applicable
27 provisions of the General Accounting and Budgetary Procedures Law, § 19-4-101
28 et seq., in the acquisition, purchase, contracting for the purchase of, and
29 leasing of information technology.

30
31 SECTION 284. Arkansas Code § 25-4-114(c), concerning contracts and
32 agreements for information technology, is amended to read as follows:

33 (c) Contracts for the provision of information technology are
34 interagency agreements and are exempt from the provisions of the Arkansas
35 Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the General Accounting
36 and Budgetary Procedures Law, § 19-4-101 et seq., nor are they required to be

1 submitted to the Legislative Council for advice.

2

3 SECTION 285. Arkansas Code § 25-4-121(e), concerning the Division of
4 Information Systems Revolving Fund, is amended to read as follows:

5 (e) Subject to the written approval of the Chief Fiscal Officer of the
6 State upon written application of the division and review by the Legislative
7 Council, the Director of the Division of Information Systems shall have the
8 authority to transfer funds between the Information Technology Reserve Fund
9 established by §§ ~~19-5-1056~~ 19-27-244 and 25-4-123 and the Division of
10 Information Systems Revolving Fund established under this section for cash
11 management purposes.

12

13 SECTION 286. Arkansas Code § 25-8-102(b), concerning the authority of
14 the Secretary of the Department of Finance and Administration, is amended to
15 read as follows:

16 (b) The secretary shall have authority to install any recordkeeping
17 and other procedures in his or her office and in other offices and
18 departments of the state which he or she shall deem necessary or advisable to
19 carry out his or her functions and duties. However, nothing in this section
20 shall be construed to grant the secretary any authority to establish
21 recordkeeping or other procedures, or rules with respect to the elected
22 constitutional officers of the state, the General Assembly and its
23 committees, or other agencies who are exempt from all or a part of the
24 procedures set forth in the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101
25 et seq., and the General Accounting and Budgetary Procedures Law, § 19-4-101
26 et seq.

27

28 SECTION 287. Arkansas Code § 25-8-106(f), concerning marketing and
29 redistribution of state personal property, is amended to read as follows:

30 (f) The Secretary of the Department of Transformation and Shared
31 Services is authorized to promulgate reasonable rules, not inconsistent with
32 law, for compliance with the provisions of this section, the Arkansas
33 Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the General Accounting and
34 Budgetary Procedures Law, § 19-4-101 et seq., and the sale of surplus
35 commodities to not-for-profit organizations under § 22-1-101.

36

1 SECTION 288. Arkansas Code § 25-10-108(4), concerning the requirements
2 the Secretary of the Department of Human Services shall impose on units of
3 the Department of Human Services, is amended to read as follows:

4 (4)(A) Coordinate, with each institution and its administrator
5 under the control and direction of the Department of Human Services State
6 Institutional System Board and the Board of Developmental Disabilities
7 Services within the department, the purchasing policies and procedures of the
8 department as promulgated by the secretary thereof to assure that all those
9 institutions comply with the uniform purchasing practices and policies of the
10 department and with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et
11 seq., and the rules promulgated thereunder by the State Procurement Director.

12 (B) However, each of the various institutions under the
13 control of the Department of Human Services State Institutional System Board
14 and the Board of Developmental Disabilities Services within the department is
15 authorized to have institutional purchasing officials who shall be authorized
16 to make purchases in behalf of those institutions which are not within the
17 exclusive jurisdiction of the State Procurement Director, but all such
18 purchases shall be made in compliance with the uniform purchasing practices
19 and policies promulgated by the secretary to be applicable to all divisions,
20 offices, sections, or units of the department and shall be in conformance
21 with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and rules
22 promulgated by the State Procurement Director; and

23
24 SECTION 289. Arkansas Code § 25-18-205(d)(2), concerning volumes of
25 the acts of the General Assembly, is amended to read as follows:

26 (2) Volume I shall contain only appropriation acts and the
27 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and amendments
28 relative thereto and may be printed in two (2) books if the Secretary of
29 State considers it mechanically expedient.

30
31 SECTION 290. Arkansas Code § 25-19-107(e)(2)(B), concerning appeals
32 from a denial of rights and attorney's fees under the Freedom of Information
33 Act of 1967, is amended to read as follows:

34 (B) A claim for reasonable attorney's fees and litigation
35 expenses reasonably incurred in an action against the State of Arkansas or a
36 department, agency, or institution of the state shall be filed with the

1 commission pursuant to § ~~19-10-201~~ 25-44-201 et seq. within sixty (60) days
2 of the final disposition of the appeal under subsection (a) of this section.

3
4 SECTION 291. Arkansas Code § 25-20-306(a)(17), concerning the general
5 powers of a public body under the Interlocal Cooperation Act, is amended to
6 read as follows:

7 (17) Purchase professional services under § ~~19-11-801~~ 19-65-101
8 et seq. or by any method of competitive bidding including without limitation
9 reverse auctions.

10
11 SECTION 292. Arkansas Code § 25-20-310(j)(3)(B), concerning financing
12 improvements with bonds under the Consolidated Waterworks Authorization Act,
13 is amended to read as follows:

14 (B) The provisions of the Revenue Bond Act of 1987, § ~~19-~~
15 ~~9-601~~ 19-6-601 et seq., do not apply to this section and revenue bonds or
16 interim financing issued hereunder.

17
18 SECTION 293. Arkansas Code § 25-20-408(j), concerning financing under
19 the Arkansas Municipal Electric Utility Interlocal Cooperation Act of 2003,
20 is amended to read as follows:

21 (j) The bonds shall be executed in the manner provided for by the
22 Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.

23
24 SECTION 294. Arkansas Code § 25-26-305(b), concerning contracts on
25 behalf of the Arkansas Cyber Initiative, is amended to read as follows:

26 (b) When contracting with a person or an entity under this subchapter,
27 the commission shall not be bound by the provisions of the Arkansas
28 Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., requiring competitive bids if
29 compliance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.,
30 creates a security risk.

31
32 SECTION 295. Arkansas Code § 25-28-105 is amended to read as follows:

33 25-28-105. Compliance with other laws.

34 Disbursement of funds authorized by this chapter shall be limited to
35 the appropriation for the agency being transferred and funds made available
36 by law for the support of such appropriations. The restrictions of the

1 Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the General
2 Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Revenue
3 Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Regular Salary
4 Procedures and Restrictions Act, §§ 19-4-1601 and 21-5-101, or their
5 successors, and other fiscal control laws of this state, where applicable,
6 and rules promulgated by the Department of Finance and Administration, as
7 authorized by law, shall be strictly complied with in disbursement of those
8 funds.

9

10 SECTION 296. Arkansas Code § 25-29-109 is amended to read as follows:
11 25-29-109. Purchase of telecommunications services.

12 The purchase of telecommunications services by the Arkansas Deaf and
13 Hard of Hearing Telecommunications Services Corporation shall be by
14 competitive bid using procedures substantially similar to the Arkansas
15 Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

16

17 SECTION 297. Arkansas Code § 25-34-108(2), concerning the disbursement
18 of revenues under the Arkansas Computer and Electronic Solid Waste Management
19 Act, is amended to read as follows:

20 (2) If the sale of surplus computer or electronic equipment is
21 outside the agency and conducted by the Marketing and Redistribution Section:

22 (A) Fifty percent (50%) of the proceeds shall be returned
23 to the owning agency;

24 (B) Twenty-five percent (25%) of the proceeds shall be
25 deposited with the Marketing and Redistribution Section; and

26 (C) Twenty-five percent (25%) of the proceeds shall be
27 deposited into the fund established by this chapter and § ~~19-5-1217~~ 19-27-
28 278.

29

30 SECTION 298. Arkansas Code § 25-35-105(b)(2), concerning the powers of
31 the risk manager for the Arkansas Multi-Agency Insurance Trust Fund, is
32 amended to read as follows:

33 (2) Purchase insurance and reinsurance in accordance with the
34 Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.;

35

36 SECTION 299. Arkansas Code § 25-38-203(b)(3)(B), concerning the powers

1 of the Department of Agriculture to assess civil penalties, is amended to
2 read as follows:

3 (B) A civil penalty assessed and collected under
4 subdivision (b)(3)(A) of this section shall be deposited into the State Plant
5 Board Fund.

6
7 SECTION 300. Arkansas Code § 25-43-802(a)(26), concerning the state
8 entities transferred to the Department of Health, is amended to read as
9 follows:

10 (26) The Arkansas Tobacco Settlement Commission, created under §
11 ~~19-12-117~~ 19-90-117;

12

13 SECTION 301. Arkansas Code § 25-43-802(a)(47), concerning the state
14 entities transferred to the Department of Health, is amended to read as
15 follows:

16 (47) The Tobacco Prevention and Cessation Program, created under
17 § ~~19-12-113~~ 19-90-113; and

18

19 SECTION 302. Arkansas Code § 25-43-811(c)(7)(E), concerning the duty
20 of the Office of Health Information Technology to establish fees for the use
21 of the State Health Alliance for Records Exchange, is amended to read as
22 follows:

23 (E) Revenue generated by the fees or charges under
24 subdivision (c)(7)(A) of this section shall be deposited into the Health
25 Information Technology Fund, § ~~19-5-1244~~ 19-27-299.

26

27 SECTION 303. Arkansas Code § 25-43-1402(a)(11), concerning the state
28 entities transferred to the Department of Public Safety, is amended to read
29 as follows:

30 (11) The Law Enforcement Support Office, referenced under § ~~19-~~
31 ~~11-605~~ 19-63-105;

32

33 SECTION 304. Arkansas Code § 25-43-1502(a)(8), concerning the state
34 entities transferred to the Department of Transformation and Shared Services,
35 is amended to read as follows:

36 (8) The Office of State Procurement, created under § ~~19-11-215~~

1 19-61-201.

2
3 SECTION 305. Arkansas Code Title 25 is amended to add an additional
4 chapter to read as follows to reenact §§ 19-10-101 – 19-10-306:

5 CHAPTER 44

6 CLAIMS AGAINST THE STATE

7
8 Subchapter 1 – General Provisions

9
10 25-44-101. Definitions.

11 As used in this chapter:

12 (1) “General Assembly” means the appropriate subcommittee of the
13 Legislative Council or the Joint Budget Committee that is assigned to hear
14 appealed claims or claims requiring approval before being considered by the
15 Legislative Council, the Joint Budget Committee, or the full General
16 Assembly;

17 (2) “Insurer” means a person engaged as indemnitor, surety, or
18 contractor in the business of entering into contracts of insurance;

19 (3) “State agency” means a department, office, board,
20 commission, or institution of this state, including a state-supported
21 institution of higher education; and

22 (4) “Subrogation claim” means a claim filed with the Arkansas
23 State Claims Commission by an insurer or by its insured, or both, to recover
24 money paid or owed by an insurer to an individual under a contract of
25 insurance.

26
27 25-44-102. Investigatory powers.

28 (a)(1) As soon as the Secretary of the Department of Finance and
29 Administration learns of facts from which the secretary concludes that a
30 claim may be filed under this chapter against the state or a state agency,
31 the secretary shall investigate and take evidence concerning the claim.

32 (2) The secretary’s duty under subdivision (a)(1) of this
33 section applies whether or not the claim has already been filed at the time
34 the secretary learns the relevant facts upon which the secretary bases his or
35 her conclusion.

36 (3) Subdivision (a)(1) of this section does not apply to a claim

1 for personal injury or death of a state employee.

2 (b) To carry out his or her duties under this section, the secretary
3 may exercise all necessary investigatory powers conferred upon him or her by
4 this chapter.

5 (c) All information acquired by the secretary under this section shall
6 be made available to the Arkansas State Claims Commission before the hearing
7 and determination of the claim.

8
9 25-44-103. Legal representative for state agencies.

10 (a) An attorney for a state agency against which a claim is filed
11 shall represent his or her respective state agency before the Arkansas State
12 Claims Commission.

13 (b) The Attorney General shall represent all state agencies that have
14 no special legal representatives before the Arkansas State Claims Commission.

15
16 25-44-104. State employee not to represent claimant.

17 The following shall not appear before the Arkansas State Claims
18 Commission as an attorney or representative for a claimant in the
19 presentation or prosecution of a claim filed under this chapter:

20 (1) A full-time employee of:

21 (A) The State of Arkansas; or

22 (B) A state agency; or

23 (2) A member of a state agency.

24
25 25-44-105. Claims for late or lost warrants.

26 Before approving a claim for reissuance of a state warrant that has
27 been lost or presented for payment after expiration of the legal date for
28 redemption, the Arkansas State Claims Commission shall request proof from the
29 Auditor of State that:

30 (1) The original warrant was legally canceled because of late
31 redemption presentation; or

32 (2) In the case of a lost warrant, an official warrant
33 cancellation procedure has been exercised.

34
35 Subchapter 2 – Arkansas State Claims Commission

36

1 25-44-201. Creation of commission – Members – Salary and expense
2 reimbursement.

3 (a)(1)(A) There is created a commission to be known as the “Arkansas
4 State Claims Commission”.

5 (B) The commission shall consist of five (5) members to be
6 known as “commissioners”.

7 (C) All commissioners shall be public-spirited persons of
8 recognized standing, and at least two (2) commissioners shall be attorneys
9 licensed to practice law in the State of Arkansas.

10 (2)(A)(i) The commissioners shall be appointed by the Governor
11 and confirmed by the Senate.

12 (ii) The commissioners shall serve for terms of five
13 (5) years and thereafter until a successor has been appointed and qualified.

14 (iii) A vacancy in the office of commissioner shall
15 be filled by the Governor, and that appointee shall hold office during the
16 unexpired portion of the term in which the vacancy occurred.

17 (B) Commissioners may be appointed to and may serve
18 successive terms.

19 (b) Before entering upon the duties of his or her office, each
20 commissioner shall take the constitutional oath of office.

21 (c)(1) A commissioner shall not hear or participate in the
22 consideration of a claim in which he or she is interested personally, either
23 directly or indirectly.

24 (2) If for reason of conflict of interest a commissioner
25 disqualifies himself or herself or is absent for any reason from hearing a
26 particular claim and if there are no other commissioners available to hear
27 the claim or action, the interested parties may request that a special
28 commissioner be appointed by the Governor to hear the specific claim or
29 action.

30 (d) The commission shall elect from its membership a chair or two (2)
31 cochairs.

32 (e)(1)(A) Each commissioner shall receive a salary as may be
33 prescribed by law and appropriated by the General Assembly.

34 (B) The salary shall be paid in the manner as are salaries
35 of other state officials and employees.

36 (2) In addition to salary, each commissioner may receive expense

1 reimbursement in accordance with § 25-16-901 et seq.

2 (f) The commission is considered an adjudicatory body when the
3 commission applies or interprets:

4 (1) A substantive procedural rule; or

5 (2) Case law from an appellate court with jurisdiction to a
6 pending claim or action.

7
8 25-44-202. Director – Personnel.

9 (a) The Director of the Arkansas State Claims Commission shall be
10 designated by the Arkansas State Claims Commission and shall serve as both
11 the Executive Secretary for the Arkansas State Claims Commission and the
12 Clerk of the Arkansas State Claims Commission.

13 (b) The commission may appoint other personnel as may be necessary to
14 effectuate the operations of the commission and as may be authorized by
15 biennial appropriation of the General Assembly.

16
17 25-44-203. Duties of director.

18 (a)(1) The duties of the Director of the Arkansas State Claims
19 Commission shall include maintaining a system of filing and adjudicating of
20 claims or actions against the state.

21 (2) The director shall keep a docket of all claims or actions
22 filed and shall present them to the Arkansas State Claims Commission in the
23 chronological order of filing.

24 (3) The director is responsible for maintenance and custody of
25 the docket, files, and records of the commission, including the transcripts
26 of testimony and exhibits, with all papers and requests filed in proceedings,
27 the minutes of all actions taken, and all of the commission's findings,
28 determinations, opinions, reports, orders, and rules.

29 (4) The director shall prepare the docket of claims or actions
30 to be considered by the commission and shall notify all parties of record of
31 the time, date, and place of hearing in advance when a claim or action will
32 be docketed for hearing before the commission.

33 (5) The director shall be responsible for hiring personnel in
34 the administration of the commission.

35 (b) The commission shall authorize the director to sign or
36 authenticate all orders and other actions of the commission.

1
2 25-44-204. Jurisdiction.

3 (a) The Arkansas State Claims Commission has jurisdiction over:

4 (1) A claim or action that is barred by the doctrine of
5 sovereign immunity under Arkansas Constitution, Article 5, § 20, from being
6 litigated in a court of general jurisdiction, except as otherwise provided by
7 law;

8 (2) A claim or action that solely addresses the receipting,
9 processing, and reissuance of child support payments through the Arkansas
10 Child Support Clearinghouse;

11 (3) A claim or action to contest eligibility, qualification, or
12 election to serve as a member of the House of Representatives for the purpose
13 of making a nonbinding recommendation on the claim or action to that chamber
14 of the General Assembly; and

15 (4) A claim or action to recover reasonable attorney's fees and
16 other litigation expenses reasonably incurred by a plaintiff who
17 substantially prevails in an action under § 25-19-107 against the State of
18 Arkansas or a state agency under the standard described in § 25-19-107(d)(1).

19 (b) The commission has no jurisdiction over a claim or action:

20 (1) Against a municipality, county, school district, or any
21 other political subdivision of the state;

22 (2) Arising under:

23 (A) The Workers' Compensation Law, § 11-9-101 et seq.;

24 (B) The Division of Workforce Services Law, § 11-10-101 et
25 seq.;

26 (C) The Arkansas Teacher Retirement System Act, Acts 1973,
27 No. 427;

28 (D) The Arkansas Public Employees' Retirement System Act,
29 Acts 1957, No. 177;

30 (E) The State Police Retirement System Act, § 24-6-201 et
31 seq.; or

32 (F) Laws providing for old age assistance grants, child
33 welfare grants, blind pensions, or any laws of a similar nature;

34 (3) Against the state for repayment of child support, except in
35 cases in which the underlying support order is set aside as void ab initio by
36 the court and the child support paid was retained by the state as

1 reimbursement for public assistance paid on behalf of a child;

2 (4) Brought by a member of the uniformed armed services against
3 the Department of the Military, the State Militia, or any subdivision of the
4 State Militia, if the claim or action arises out of the performance of the
5 claimant's military duty;

6 (5) Brought against the Division of Community Correction for
7 acts committed by a person while that person is subject to conditions of
8 parole, post-release supervision, or probation under Arkansas law;

9 (6) Brought against the Division of Correction for acts
10 committed by inmates while on authorized release from the Division of
11 Correction;

12 (7) Brought against the Division of Youth Services for acts
13 committed by juveniles released by the Division of Youth Services, whether or
14 not the juvenile is subject to conditions of aftercare or probation; or

15 (8) For state tax refunds under § 26-18-507, a claim or action
16 challenging tax assessments under § 26-18-406, or a claim or action
17 challenging tax laws under Arkansas Constitution, Article 16, § 13.

18 (c) The commission shall not make an award for a claim or action that,
19 as a matter of law, would be dismissed from a court of law for reasons other
20 than sovereign immunity.

21
22 25-44-205. Rulemaking authority.

23 The Arkansas State Claims Commission may make and alter or amend all
24 rules governing the procedure before the commission that may be necessary and
25 expedient for the orderly discharge of the commission's duties and that are
26 not inconsistent with this subchapter or other laws.

27
28 25-44-206. Meetings.

29 (a)(1) The Arkansas State Claims Commission shall meet at the time and
30 place designated by the Chair of the Arkansas State Claims Commission, the
31 cochairs of the Arkansas State Claims Commission, or the Director of the
32 Arkansas State Claims Commission.

33 (2) General meetings of the commission for the purpose of
34 hearing testimony and taking evidence shall be held each month unless
35 scheduled differently by the chair, the cochairs, or the director.

36 (b) The commission may hold a special meeting of the commission upon

1 request by the interested parties.

2 (c) The commission shall meet in Little Rock but may conduct hearings
3 elsewhere in the state if the commission determines that a hearing is
4 relevant to business before the commission.

5 (d)(1) A majority of the commissioners shall constitute a quorum, and
6 the concurrence of two (2) members of the commission shall be necessary for
7 the allowance or disallowance of any claims.

8 (2) A vacancy does not impair the right of the remaining two (2)
9 commissioners assigned to a particular hearing to exercise all powers of the
10 full commission.

11
12 25-44-207. Power to examine.

13 (a) The Director of the Arkansas State Claims Commission or a
14 commissioner of the Arkansas State Claims Commission has the authority to
15 administer oaths, to subpoena witnesses, to examine any books, documents, or
16 records that may be relevant to any proceeding before the commission, and to
17 require the production of any such materials.

18 (b) In an action to contest the election of a member of the House of
19 Representatives, the commission's general authority to subpoena witnesses and
20 documents shall specifically include the authority to subpoena election
21 officers and to subpoena any ballots cast or other election records in the
22 election at issue.

23 (c) If a claimant or witness to whom an oath has been administered as
24 provided under this section swears falsely to a fact material to the
25 investigation of a claim, the false swearing shall constitute perjury, and
26 the person swearing falsely shall be subject to prosecution.

27 (d)(1)(A) If a person or entity fails or refuses to obey a commission
28 subpoena or order or refuses to testify or produce any books, papers, or
29 other documents, the commission may present its petition setting forth the
30 facts to any court of record.

31 (B) After being presented with a petition under this
32 subsection, the court of record shall issue its subpoena to the person or
33 entity, requiring his or her or its attendance before the court of record to
34 testify or produce the books, papers, or documents as may be deemed necessary
35 and pertinent.

36 (C) A person or entity failing or refusing to obey the

1 subpoena or order of the court of record may be proceeded against in the same
2 manner as for refusal to obey any other subpoena, as provided by the Arkansas
3 Rules of Civil Procedure.

4 (2) The commission may use the Attorney General and the services
5 of the prosecuting attorneys for the county and district in which the
6 enforcement of a subpoena under this subsection is required.

7
8 25-44-208. Complaints.

9 (a)(1) A proceeding under this subchapter shall be commenced by a
10 verified complaint, of which the original and three (3) copies shall be filed
11 with the Director of the Arkansas State Claims Commission.

12 (2) The party filing the claim or action shall be designated as
13 the claimant, and the State of Arkansas, state agency, or applicable agent of
14 the state shall be designated as the respondent.

15 (b) Unless otherwise provided for under this section, the complaint
16 shall state concisely the facts upon which the claim or action is based and
17 shall set forth:

18 (1) The address of the claimant and the claimant's attorney, if
19 any;

20 (2) The time and place of the circumstances giving rise to the
21 claim or action;

22 (3) The state agency whose action or inaction led to the
23 origination of the claim or action;

24 (4) The amount claimed or relief sought; and

25 (5) All averments of fact necessary to state a cause of action
26 against the state under this subchapter.

27 (c) If the claim or action is based upon a contract or other
28 instrument in writing, a copy of the contract or instrument in writing shall
29 be attached to the complaint and the copies filed with the director.

30 (d)(1) The claimant shall state in the complaint whether he or she has
31 received any payment on account of the claim or action and, if so, the amount
32 received.

33 (2)(A) The claimant also shall state whether another person or
34 business entity has an absolute or contingent interest in his or her claim or
35 action.

36 (B) If a person or corporation is interested in the claim,

1 the claimant shall state the name and address of that person or corporation
2 having the interest, the nature of the interest, and how and when it was
3 acquired.

4 (e) If the claimant is an executor, administrator, guardian, or other
5 representative acting under judicial appointment, a duly certified copy of
6 the record of appointment shall be filed with the complaint.

7 (f)(1) A claimant who is an inmate in the Division of Correction or
8 the Division of Community Correction at the time the claim or action is filed
9 is limited to no more than:

10 (A) Five (5) pages of written factual allegations and
11 legal argument in his or her complaint; and

12 (B) Five (5) additional pages of exhibits to accompany his
13 or her complaint.

14 (2)(A) An inmate filing a claim or action may file a motion to
15 allow him or her to file additional pages of factual allegations, argument,
16 or exhibits in excess of the limitations under subdivision (f)(1) of this
17 section.

18 (B) A motion filed under this subdivision (f)(2) may be
19 granted only if the commissioners of the Arkansas State Claims Commission
20 find that the inmate needs the additional pages to fully explain his or her
21 claim or action or if the claim or action is sufficiently complex to warrant
22 additional pages.

23 (3)(A) If an inmate files a claim or action that exceeds the
24 page limitations under this subsection, the commission shall:

25 (i) Assign the inmate's claim a docket number; and

26 (ii) Consider the inmate's claim filed, but mail the
27 inmate's complaint and any attached exhibits back to him or her and give the
28 inmate forty-five (45) days to:

29 (a) Resubmit his or her complaint and any
30 attached exhibits in compliance with this subsection; or

31 (b) File a motion requesting permission to
32 file a complaint and accompanying exhibits that exceed the page limitations
33 under this subsection.

34 (B) The forty-five-day time period under this subsection
35 is excludable time in calculating the statute of limitations for the inmate's
36 claim or action.

1 (C) The commission may dismiss an inmate's complaint
2 without prejudice if the inmate fails to:

3 (i) Resubmit a complaint and attached exhibits that
4 meet the page limitation requirements of this subsection; or

5 (ii) File a motion requesting permission to file a
6 complaint and attached exhibits that exceed the page limitation requirements
7 of this subsection.

8 (D)(i) If the commission grants a motion for a complaint
9 and accompanying exhibits that exceed the page limitation requirements of
10 this subsection, the commission shall set out in the order granting the
11 motion the revised timeline for the inmate to file his or her complaint and
12 accompanying exhibits.

13 (ii) The commission may set a revised limit on the
14 number of pages an inmate's complaint and accompanying exhibits may be.

15
16 25-44-209. Time for filing.

17 The Arkansas State Claims Commission shall not consider or allow a
18 claim or action unless the claim or action has been filed with the Director
19 of the Arkansas State Claims Commission as provided by this subchapter within
20 the period allowed by law for the commencement of an action for the
21 enforcement of the same type of claim or action.

22
23 25-44-210. Notice and hearings.

24 (a)(1) The Director of the Arkansas State Claims Commission shall
25 notify each claimant and also the head of each state agency against which a
26 claim or action is filed of the time and place set for a hearing on the claim
27 or action, if a hearing on the matter is set by the Arkansas State Claims
28 Commission.

29 (2) A party to a claim or action is not entitled to a hearing as
30 a matter of law but may request a hearing before the commission.

31 (b)(1) The commission is not bound by the formal rules of evidence and
32 shall conduct all hearings publicly and in a fair and impartial manner,
33 giving the parties full opportunity for presentation of evidence, cross-
34 examination of witnesses, and argument.

35 (2) To the extent practicable, the commission shall adopt the
36 procedure used by the circuit courts, and a hearing before the commission

1 shall be conducted in a judicial manner.

2 (c) Hearings on a motion filed by a party shall be set:

3 (1) Upon request of one (1) of the parties; and

4 (2) If the commission finds that oral argument or witness
5 testimony, or both, will benefit the commission in deciding on the motion.

6
7 25-44-211. Appeals of decisions – Jurisdiction – Time periods to file.

8 (a)(1) Within forty (40) days after the Arkansas State Claims
9 Commission transmits a final order on a claim or action before the
10 commission, a party to the claim or action may file with the commission a:

11 (A) Notice of appeal of the final order to the General
12 Assembly; or

13 (B)(i) Motion requesting that the commission reconsider
14 its final order.

15 (ii)(a) If a motion for reconsideration is denied, a
16 party may file with the commission a notice of appeal of the claim to the
17 General Assembly within twenty (20) days of the commission's transmitting the
18 order denying the motion for reconsideration.

19 (b) Subdivision (a)(1)(B)(ii)(a) of this
20 section applies only if the commission's reconsideration constitutes a final
21 order.

22 (2) The commission shall advise parties of the right of appeal
23 under this section when the commission notifies the parties of the
24 commission's final order.

25 (3) The General Assembly has exclusive jurisdiction to hear
26 appeals under this section.

27 (b)(1)(A) The commission shall timely notify the General Assembly and
28 all parties to the claim or action when a notice of appeal to the General
29 Assembly is filed with the commission within the number of days permitted to
30 file a notice of appeal.

31 (B) If a notice of appeal is submitted outside the number
32 of days permitted to file a notice of appeal, the commission shall not:

33 (i) Accept the notice of appeal for filing; or

34 (ii) Transmit the notice of appeal to the General
35 Assembly for consideration.

36 (C) If an untimely notice of appeal is submitted under

1 subdivision (b)(1)(B) of this section, the commission shall notify all
2 parties to the claim or action that the notice of appeal:

3 (i) Was submitted outside the number of days
4 permitted to file a notice of appeal; and

5 (ii) Will not be transmitted to the General Assembly
6 for consideration.

7 (2)(A) Notice provided to the General Assembly under subdivision
8 (b)(1) of this section terminates the commission's jurisdiction over the
9 claim or action.

10 (B) Unless ordered to do so by the General Assembly, the
11 commission is prohibited from doing anything further on the claim or action
12 aside from ordinary ministerial duties.

13 (3) The commission shall regain jurisdiction over the claim or
14 action if, in consideration of an appeal of a final order, the General
15 Assembly sends the claim or action back to the commission:

16 (A) For further proceedings consistent with any order of
17 the General Assembly; or

18 (B) To notify the claimant that the award has been upheld,
19 reversed, or amended.

20
21 25-44-212. Reports of state agency liability.

22 (a) When a state agency admits liability to a claim filed with the
23 Arkansas State Claims Commission, the state agency shall file a written
24 report of the claim with the Litigation Reports Oversight Subcommittee of the
25 Legislative Council if the claim:

26 (1) Involves a contract with the state agency; or

27 (2) Exceeds fifteen thousand dollars (\$15,000).

28 (b) The state agency shall include in its report a concise statement
29 of facts with an explanation of the state agency's liability.

30 (c) The state agency shall file its report within thirty (30) days
31 after the claim or action has been adjudicated and a final order has been
32 issued by the commission.

33
34 25-44-213. State agency to pay claim – Employment compensation claims
35 – Director disbursing officer.

36 (a)(1) When a claim or action is determined to be a valid claim or

1 action against the state under this chapter and the claim or action is to be
2 paid from funds not in the State Treasury, the Director of the Arkansas State
3 Claims Commission shall notify the state agency against which the claim or
4 action is to be charged of the amount of the claim or action.

5 (2) Upon receipt of the notification under subdivision (a)(1) of
6 this section, the state agency shall deliver a check to the director who
7 shall deposit the funds as a nonrevenue receipt into the Miscellaneous
8 Revolving Fund from which the director shall disburse the amount of the claim
9 or action to the claimant.

10 (b)(1) The director shall distribute a warrant for the payment of a
11 valid claim against the state for employment compensation claims in the
12 manner provided by this subsection.

13 (2) If an employment compensation claim is determined to be a
14 valid claim against the state, the director shall notify the state agency
15 against which the claim is to be charged and the Office of Personnel
16 Management of the amount of the claim.

17 (3) Upon receipt of the notification under this subsection, the
18 state agency against which the claim is charged shall process the award
19 through the state mechanized payroll system.

20 (c)(1) The director shall be the disbursing officer for the funds
21 appropriated for expense reimbursements for the Firefighter Benefit Review
22 Panel.

23 (2) Expense reimbursements under this subsection shall be paid
24 to the panel as certified in writing to the Arkansas State Claims Commission
25 by the Chair of the Firefighter Benefit Review Panel.

26 (3) The commission may pay expense reimbursements for all unpaid
27 meetings in prior state fiscal years.

28
29 25-44-214. Effect on liens.

30 (a) Arkansas State Claims Commission awards are state property and
31 therefore:

32 (1) Liens do not attach to commission awards; and

33 (2) A commission award is not assignable.

34 (b)(1) If the commission and the General Assembly approve appeals or
35 claims or actions above fifteen thousand dollars (\$15,000) and name as
36 payees, in addition to the claimant, other individuals or entities who would

1 normally have liens in a court of law, other than insurance company
2 subrogation claims, then the commission may deposit the amount approved into
3 the registry of the Pulaski County Circuit Court.

4 (2) After reasonable notice to the claimant and any named
5 payees, the court shall establish the validity and priority to the moneys
6 upon petition of the claimant or any named payee.

7
8 25-44-215. Restrictions on awards.

9 (a) With the exception of death and disability benefit claims paid
10 under § 21-5-701 et seq., the Arkansas State Claims Commission shall not pay
11 an award in excess of fifteen thousand dollars (\$15,000).

12 (b) If an award is greater than fifteen thousand dollars (\$15,000),
13 the commission shall refer the claim or action to the General Assembly for
14 approval and, if approved, an appropriation.

15
16 25-44-216. Final orders – Findings of fact and conclusions of law
17 required.

18 (a)(1) When the Arkansas State Claims Commission dismisses a claim or
19 action with a final order or issues a final order of a claim or action on the
20 merits, the commission shall set forth specific findings of fact and
21 conclusions of law to support its decision.

22 (2) Citations to a party's motion or argument do not fulfill the
23 requirements of this subsection unless otherwise supported by an explanation,
24 with particularity, as to why the party's motion or argument is determinative
25 to the outcome of the claim or action.

26 (3) When the commission bases its decision on a specific rule of
27 civil procedure, rule of evidence, statute, or controlling appellate court
28 decision, the commission shall cite the rule, statute, or appellate court
29 decision.

30 (4) The General Assembly shall not accept a claim or action on
31 appeal when the claim or action has as its final adjudication findings of
32 fact and conclusions of law that do not comply with this section.

33 (b) Failure to comply with this section shall result in the General
34 Assembly's sending the claim or action back to the commission for further
35 action until the requirements of subsection (a) of this section are met.

36 (c) A claim or action filed by a person who at the time of filing is

1 an inmate of the Division of Correction is exempted from the requirements of
2 this section.

3 (d) The findings of fact and conclusions of law contained in a final
4 order under this section are presumed to be correct for the purposes of
5 review by or appeal to the General Assembly.

6
7 25-44-217. Motions – Grounds required to preserve for appeal.

8 (a) If the Arkansas State Claims Commission denies a motion, the party
9 whose interests were adversely affected by the commission's denial may appeal
10 the denial under § 25-44-211 so long as the legal issue or factual issue in
11 dispute was preserved for appeal with a specific ruling, in writing, by the
12 commission.

13 (b)(1)(A) It is the responsibility of the party whose interests were
14 adversely affected by the commission's ruling on the motion to ask the
15 commission to file a written order denying the motion if the commission had
16 previously denied the motion and has not already filed a written order on the
17 motion before the commission issues its final order.

18 (B) If a party requests that the commission file a written
19 order denying a motion under this subsection, the commission shall do so
20 before issuing a final order.

21 (2) If the basis of a ground for appeal by a party is that a
22 motion was erroneously granted, a filed written order by the commission is
23 not necessary.

24
25 25-44-218. Interlocutory appeals prohibited.

26 (a) A party shall not file, and the Arkansas State Claims Commission
27 shall not entertain, an interlocutory appeal of a legal issue.

28 (b)(1) The Director of the Arkansas State Claims Commission shall
29 reject an interlocutory motion.

30 (2) An interlocutory motion shall not be included in the record
31 of the case.

32 (c) All legal issues or factual issues in dispute that have been
33 raised and addressed by the commission may be included in a party's appeal of
34 the commission's final order.

35
36 25-44-219. Small claims adjudication.

1 (a)(1) The Arkansas State Claims Commission may establish a small
2 claims adjudication process for claims or actions seeking one thousand
3 dollars (\$1,000) or less.

4 (2) The small claims adjudication process shall provide that
5 claims or actions be given docket priority, and the use of informal
6 discovery, hearings utilizing teleconferencing or other off-site
7 communications technology, and relaxed procedural rules are encouraged to
8 facilitate efficient and timely resolution.

9 (b)(1) A claim or action seeking one thousand dollars (\$1,000) or less
10 may be:

11 (A) Assigned to be heard by one (1) commissioner of the
12 commission; and

13 (B) Decided by the commissioner on the basis of the
14 pleadings alone.

15 (2) If a claimant objects to having the claim or action heard as
16 a small claims adjudication under this section, the claimant may request that
17 the claim or action be heard in the usual manner for similar claims or
18 actions.

19 (c) Before a proposed written final order of a small claims
20 adjudication under this section is considered final for the purposes of award
21 or appeal, the proposed written final order shall be reviewed by a panel
22 consisting of:

23 (1) The commissioner of the commission assigned to the claim or
24 action; and

25 (2) Two (2) other commissioners of the commission.

26
27 25-44-220. Special masters authorized.

28 (a) The Arkansas State Claims Commission may appoint a special master
29 with specialized knowledge and skill to assist the commission in achieving a
30 more timely resolution of complex litigation arising from a claim or action.

31 (b)(1) All or part of a special master's findings may be included as
32 part of or in addition to a commission's final order.

33 (2) The special master's findings, if disputed by a party, may
34 be raised on appeal.

35
36 25-44-221. Abuse of process by litigants.

1 An inmate in the Division of Correction or the Division of Community
2 Correction who has filed more than three (3) unsuccessful claims or actions
3 under this subchapter within a period of two (2) years may have his or her
4 subsequent claims or motions dismissed by the Arkansas State Claims
5 Commission upon receipt as abuse of process, for one (1) year from the date
6 of dismissal of the inmate's third unsuccessful claim.

7
8 25-44-222. Corporate or business entity to be represented by attorney.

9 (a) Except as provided in subsection (b) of this section, a corporate
10 or business entity created under the laws of this state or another state
11 shall be represented at all times in a claim or action under this subchapter
12 by an attorney licensed to practice law in this state.

13 (b) Representation by an attorney licensed to practice law in this
14 state is not required under this section if:

15 (1) The amount of money at issue is less than two thousand
16 dollars (\$2,000); or

17 (2) The claim is:

18 (A) An uncontested claim for the reissuance of a warrant;

19 or

20 (B) For the refund of a liquor license permit application

21 fee.

22
23 25-44-223. Failure to exhaust available state or administrative
24 remedy.

25 The Arkansas State Claims Commission may dismiss a claim or action
26 without prejudice on the commission's own motion if the claimant has failed
27 to submit with the claimant's initial complaint or claim filing documentation
28 that the claimant has exhausted all available state or administrative
29 remedies.

30
31 Subchapter 3 – Effect of Insurance

32
33 25-44-301. Definitions.

34 As used in this subchapter, unless the context otherwise requires:

35 (1) "Insurer" means every person engaged as indemnitor, surety,
36 or contractor in the business of entering into contracts of insurance; and

1 (2) “Subrogation claim” means any claim filed with the Arkansas
2 State Claims Commission by an insurer or its insured, or both, to recover
3 money paid or owed by an insurer to any individual under a contract of
4 insurance.

5
6 25-44-302. Exhaustion of remedies against insurer.

7 (a) The Arkansas State Claims Commission shall not dismiss a claim
8 with prejudice on grounds that the claimant has received or is due benefits
9 under a policy of insurance. However, the commission shall hear no claim
10 until the claimant has exhausted all remedies against insurers, including the
11 claimant’s insurer.

12 (b) Every claim filed with the commission shall be accompanied by a
13 sworn affidavit, on a form to be provided by the commission, signed by the
14 claimant and witnessed by the claimant’s insurer and legal counsel, if any,
15 that the claimant has exhausted all remedies against insurers, including the
16 claimant’s insurer. The affidavit shall further state the total amount of
17 insurance benefits paid to the claimant.

18
19 25-44-303. Reduction of award.

20 (a) If the Arkansas State Claims Commission awards damages to a
21 claimant who has received benefits under any policy of insurance, the premium
22 of which has not been paid by or on behalf of the claimant, the commission
23 shall reduce its award by the amount of insurance benefits received by the
24 claimant.

25 (b) The commission shall not reduce awards for damages to a claimant
26 who has received benefits under a policy of insurance, the premium of which
27 has been paid by or on behalf of the claimant.

28
29 25-44-304. Subrogation claims not heard.

30 The Arkansas State Claims Commission shall not hear subrogation claims.
31 This fact shall in no way alter or vary the operation or coverage of §§ 21-9-
32 201 – 21-9-205.

33
34 25-44-305. Immunity of state officers and employees – Status as
35 employee.

36 (a) Officers and employees of the State of Arkansas are immune from

1 liability and from suit, except to the extent that they may be covered by
2 liability insurance, for damages for acts or omissions, other than malicious
3 acts or omissions, occurring within the course and scope of their employment.

4 (b) For purposes of this chapter, agreements between the State of
5 Arkansas and a state of the United States or the District of Columbia entered
6 into pursuant to the Interlocal Cooperation Act, § 25-20-101 et seq., shall
7 confer status of an employee for purposes of this chapter on persons acting
8 pursuant to such agreement.

9 (c) For purposes of this chapter, persons acting individually or on
10 behalf of charitable organizations, other than motor carriers as defined by §
11 23-13-203(a)(13), shall have the status of an employee while transporting
12 persons as a service of the Transitional Employment Assistance Program.

13 (d) For purposes of this chapter, dental residents and faculty of a
14 pediatric dentistry program in an adjoining state shall have the status of an
15 employee while on duty and performing assigned responsibilities in a
16 pediatric dentistry program located within a hospital dental clinic in this
17 state.

18
19 25-44-306. Res judicata or collateral estoppel.

20 If an individual commences a civil action in any court of law within
21 this state which arises out of the same subject matter or occurrence that is
22 the subject matter of a complaint before the Arkansas State Claims
23 Commission, the commission shall recognize any final judgment or order
24 rendered in the civil action as a bar to further consideration of the claim
25 in accordance with principles of res judicata and collateral estoppel.

26
27 SECTION 306. Arkansas Code § 26-18-303(b)(25), concerning exceptions
28 to the requirement to keep tax records of the Department of Finance and
29 Administration confidential and privileged, is amended to read as follows:

30 (25) Disclosure of information related to a business closure
31 order under § 26-18-1001 et seq. to the Office of State Procurement for the
32 purpose of carrying out §§ ~~19-11-281 and 19-11-1015~~ 19-61-410 and 19-67-208;

33
34 SECTION 307. Arkansas Code § 26-18-308 is amended to read as follows:

35 26-18-308. Disposition of revenues.

36 All taxes, interest, penalties, and court costs received by the

1 Secretary of the Department of Finance and Administration under any state tax
2 law, unless otherwise specified in this chapter, shall be deposited in the
3 manner stated in the applicable state tax law. Where this chapter is the
4 governing authority for the collection of interest, penalties, and court
5 costs, the amounts collected are general revenues and shall be so deposited
6 to the credit of the State Apportionment Fund and allocated as provided by
7 the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

8
9 SECTION 308. Arkansas Code § 26-26-310(b)(2)(C)(ii), concerning the
10 certification of the amount of the property tax reduction for the homestead
11 property tax credit, is amended to read as follows:

12 (ii) Beginning December 31, 2005, and on December 31
13 of each subsequent year, the Treasurer of State shall:

14 (a) Calculate each county's proportionate
15 share of one million dollars (\$1,000,000) based on the proportions used to
16 reimburse the county for property tax reductions under subsection (a) of this
17 section;

18 (b) Transfer the amount calculated under
19 subdivision (b)(2)(C)(ii)(a) of this section to the county treasurer for
20 allocation to the county assessor for use by the county assessor for the
21 costs of administering Arkansas Constitution, Amendment 79, including without
22 limitation costs for personnel, equipment, services, and postage used in the
23 administration of Arkansas Constitution, Amendment 79;

24 (c) Distribute two million dollars
25 (\$2,000,000) from the Property Tax Relief Trust Fund to the counties in the
26 state using the formula stated in § ~~19-5-602(e)(1)(A)~~ 19-25-102(c)(1)(A); and

27 (d) Distribute two million dollars
28 (\$2,000,000) from the Property Tax Relief Trust Fund to the municipalities in
29 the state using the formula stated in § ~~19-5-601(e)~~ 19-25-101(c).

30
31 SECTION 309. Arkansas Code § 26-26-1905(a)(3)(B), concerning the
32 powers of the Assessment Coordination Division with respect to rules relating
33 to reappraisal procedures, is amended to read as follows:

34 (B) Section ~~19-11-101~~ 19-60-101 et seq. shall not apply to
35 a contract made under this subchapter and to the expenditure of funds from
36 the Arkansas Real Property Reappraisal Fund.

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SECTION 310. Arkansas Code § 26-51-205(c)(2)(B)(iii) and (iv), concerning the income tax imposed on corporations and the Work Force 2000 Development Fund, are amended to read as follows:

(iii) After the deductions as set out in § ~~19-5-203~~ 19-21-103 have been made, the remaining amount shall be credited to the Work Force 2000 Development Fund.

(iv) The remaining corporate income tax collections remaining in the Revenue Holding Fund Account shall be credited to the General Revenue Fund Account of the State Apportionment Fund, there to be distributed with the other gross general revenue collections for that month in accordance with the provisions of § ~~19-5-201~~ 19-21-101 et seq.

SECTION 311. Arkansas Code § 26-51-501(f)(2)(B), concerning conditions on the increase of personal tax credits, is amended to read as follows:

(B) The net available general revenues for the fiscal year ending in the calendar year for which a credit increase is contemplated exceed the total distributions for that fiscal year under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 312. Arkansas Code § 26-51-2603(c)(1), concerning the Arkansas major historic rehabilitation income tax credit, is amended to read as follows:

(c)(1) The Division of Arkansas Heritage shall not issue Arkansas major historic rehabilitation income tax credits for more than the amount certified under § ~~19-5-1150(e)(1)(A)~~ 19-26-323(c)(1)(A).

SECTION 313. Arkansas Code § 26-52-107 is amended to read as follows:

26-52-107. Disposition of taxes, interest, and penalties.

All taxes, interest, penalties, and costs received by the Secretary of the Department of Finance and Administration under the provisions of this chapter shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer the same to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by, and to be used for the respective purposes set forth in, the

1 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

2
3 SECTION 314. Arkansas Code § 26-54-113(b)(2), concerning the
4 disposition of funds under the Arkansas Corporate Franchise Tax Act of 1979,
5 is amended to read as follows:

6 (2) After the transfers required by subdivision (b)(1) of this
7 section have been made, the taxes and penalties collected under this chapter
8 during the remainder of the fiscal year shall be special revenues, and the
9 Treasurer of State shall transfer the taxes and penalties collected to the
10 Educational Adequacy Fund after making the deductions required by § ~~19-5-~~
11 ~~203(b)-(2)~~ 19-21-103(b)(2).

12
13 SECTION 315. Arkansas Code § 26-55-1004(a)(2)(C), concerning the
14 disposition of revenues derived from the additional tax on motor fuel, is
15 amended to read as follows:

16 (C) Seventy percent (70%) of the amount to the ~~State~~
17 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
18 Fund.

19
20 SECTION 316. Arkansas Code § 26-55-1004(b)(1), concerning the
21 disposition of revenues derived from the additional tax on motor fuel, is
22 amended to read as follows:

23 (b)(1) All such funds credited to the ~~State Highway and Transportation~~
24 ~~Department~~ Arkansas Department of Transportation Fund shall be used for
25 construction, reconstruction, and maintenance of the rural state highways of
26 the state and their extensions into municipalities and industrial access
27 roads.

28
29 SECTION 317. Arkansas Code § 26-55-1202(a), concerning additional
30 funds deposited into the State Treasury from taxes on motor fuels, distillate
31 special fuels, and liquefied gas special fuels, is amended to read as
32 follows:

33 (a) All of the additional taxes, fees, penalties, and interest
34 collected under the provisions of this subchapter and §§ 26-55-710, 26-56-
35 214, and 26-56-304 shall be classified as special revenues and shall be
36 deposited into the State Treasury. After deducting therefrom the amount to be

1 credited to the Constitutional Officers Fund and the State Central Services
2 Fund as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et
3 seq., the Treasurer of State shall transfer on the last business day of each
4 month:

5 (1) Fifteen percent (15%) of the amount thereof to the County
6 Aid Fund;

7 (2) Fifteen percent (15%) of the amount thereof to the Municipal
8 Aid Fund; and

9 (3) Seventy percent (70%) of the amount thereof to a special
10 account in the ~~State Highway and Transportation Department~~ Arkansas
11 Department of Transportation Fund to be designated the "1991 Highway
12 Construction and Maintenance Account".
13

14 SECTION 318. Arkansas Code § 26-56-222(b), concerning the disposition
15 of funds collected under certain statutes related to special motor fuels, is
16 amended to read as follows:

17 (b) After deducting the amount to be credited to the Constitutional
18 Officers Fund and the State Central Services Fund as provided under the
19 Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Treasurer of
20 State shall transfer on the last business day of each month:

21 (1) Fifteen percent (15%) of the amount thereof to the County
22 Aid Fund;

23 (2) Fifteen percent (15%) of the amount thereof to the Municipal
24 Aid Fund; and

25 (3) Seventy percent (70%) of the amount thereof to the ~~State~~
26 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
27 Fund.
28

29 SECTION 319. Arkansas Code § 26-56-504(a)(2)(C), concerning the
30 disposition of revenues derived from the additional tax on distillate special
31 fuel and liquefied gas special fuel, is amended to read as follows:

32 (C) Seventy percent (70%) of the amount to the ~~State~~
33 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
34 Fund.
35

36 SECTION 320. Arkansas Code § 26-56-504(b)(1), concerning the

1 disposition of revenues derived from the additional tax on distillate special
2 fuel and liquefied gas special fuel, is amended to read as follows:

3 (b)(1) All such funds credited to the ~~State Highway and Transportation~~
4 ~~Department~~ Arkansas Department of Transportation shall be used for
5 construction, reconstruction, and maintenance of the rural state highways of
6 the state and their extensions into municipalities and industrial access
7 roads.

8

9 SECTION 321. Arkansas Code § 26-56-602(a), concerning additional funds
10 deposited into the State Treasury from taxes on motor fuels, distillate
11 special fuels, and liquefied gas special fuels, is amended to read as
12 follows:

13 (a) All of the additional taxes, fees, penalties, and interest
14 collected under the provisions of this subchapter and §§ 26-55-710, 26-56-
15 214, and 26-56-304 shall be classified as special revenues and shall be
16 deposited into the State Treasury. After deducting therefrom the amount to be
17 credited to the Constitutional Officers Fund and the State Central Services
18 Fund as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et
19 seq., the Treasurer of State shall transfer on the last business day of each
20 month:

21 (1) Fifteen percent (15%) of the amount thereof to the County
22 Aid Fund;

23 (2) Fifteen percent (15%) of the amount thereof to the Municipal
24 Aid Fund; and

25 (3) Seventy percent (70%) of the amount thereof to a special
26 account in the ~~State Highway and Transportation Department~~ Arkansas
27 Department of Transportation Fund to be designated the "1991 Highway
28 Construction and Maintenance Account".

29

30 SECTION 322. Arkansas Code § 26-57-247(p)(3), concerning the seizure,
31 forfeiture, and disposition of tobacco products and other property, is
32 amended to read as follows:

33 (3) Moneys in the tobacco control fund shall be appropriated on
34 a continuing basis and are not subject to the Revenue Stabilization Law, §
35 ~~19-5-101~~ 19-20-101 et seq.

36

1 SECTION 323. Arkansas Code § 26-57-610(b)(3), concerning the
2 disposition of insurance premium taxes, is amended to read as follows:

3 (3) The taxes collected under §§ 26-57-604 and 26-57-605 shall
4 be classified as general revenues, and the net amount of taxes collected
5 under §§ 26-57-604 and 26-57-605 shall be credited to the various State
6 Treasury funds participating in general revenues in the respective
7 proportions to each as provided by and to be used for the respective purposes
8 set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and
9

10 SECTION 324. Arkansas Code § 26-57-610(b)(5)(C), concerning the
11 disposition of insurance premium taxes collected under the Arkansas Medicaid
12 Program as administered by a risk-based provider organization, is amended to
13 read as follows:

14 (C) On and after the certification as described in
15 subdivision (b)(5)(A) of this section and after the transfer under
16 subdivision (b)(5)(B)(i) of this section, transferred in the remainder to the
17 Arkansas Medicaid Program Trust Fund and used as provided by § ~~19-5-985~~ 19-
18 26-269 as well as being used to provide funding for:

19 (i) The quality incentive pool under the Medicaid
20 Provider-Led Organized Care Act, § 20-77-2701 et seq.;

21 (ii) Home and community-based services for
22 individuals with behavioral health needs and intellectual and developmental
23 disabilities; and

24 (iii) Other services covered by the Arkansas
25 Medicaid Program as determined by the Department of Human Services.
26

27 SECTION 325. Arkansas Code § 26-57-806(d), concerning the additional
28 tax of twenty-eight dollars on cigarettes, is amended to read as follows:

29 (d) The revenue derived from the additional tax imposed by this
30 section shall be credited to the General Revenue Fund Account of the State
31 Apportionment Fund, there to be distributed with the other gross general
32 revenue collections for that month in accordance with the Revenue
33 Stabilization Law, § ~~19-5-201~~ 19-21-101 et seq.
34

35 SECTION 326. Arkansas Code § 26-57-807(e), concerning the additional
36 tax of thirty-six percent on tobacco products other than cigarettes, is

1 amended to read as follows:

2 (e) The revenue derived from the additional tax imposed by this
3 section shall be credited to the General Revenue Fund Account of the State
4 Apportionment Fund, there to be distributed with the other gross general
5 revenue collections for that month in accordance with the Revenue
6 Stabilization Law, § ~~19-5-201~~ 19-21-101 et seq.

7

8 SECTION 327. Arkansas Code § 26-57-1108 is amended to read as follows:

9 26-57-1108. Appropriation from general revenues – Additional tax not
10 collected.

11 The taxes levied by this subchapter shall not be collected during any
12 fiscal year for which the General Assembly has appropriated at least eight
13 hundred thousand dollars (\$800,000) from general revenues to the Breast
14 Cancer Research Fund and at least three million two hundred thousand dollars
15 (\$3,200,000) of general revenues to the Breast Cancer Control Fund and funded
16 those appropriations in Category A of the Revenue Stabilization Law, § ~~19-5-~~
17 ~~101~~ 19-20-101 et seq., for that fiscal year.

18

19 SECTION 328. Arkansas Code § 26-57-1208(b)(1), concerning the
20 distribution of the vending device decal fees levied under the Vending
21 Devices Decal Act of 1997, is amended to read as follows:

22 (1) Eighty percent (80%) of the fees collected under § 26-57-
23 1206(a)(1)(B)-(E) and sixty percent (60%) of the fees collected under § 26-
24 57-1206(a)(1)(A) shall be deposited to the credit of the General Revenue Fund
25 Account of the State Apportionment Fund provided by § ~~19-5-202~~ 19-21-102;

26

27 SECTION 329. Arkansas Code § 26-57-1309(b)(2), concerning the
28 assignment of funds placed into escrow by a tobacco product manufacturer, is
29 amended to read as follows:

30 (2) Any funds withdrawn under subdivision (b)(1) of this section
31 shall be deposited into the Tobacco Settlement Cash Holding Fund under § ~~19-~~
32 ~~12-104~~ 19-90-104 and shall be calculated on a dollar-for-dollar basis as a
33 credit against any judgment or settlement in favor of the state as part of
34 the Master Settlement Agreement under § 26-57-261 against the tobacco product
35 manufacturer that has assigned the funds in the subject escrow account.

36

1 SECTION 330. Arkansas Code § 26-58-124(b)(2)(C), concerning the
2 distribution of severance tax revenues, is amended to read as follows:

3 (C) Seventy-five percent (75%) of the amount of the
4 severance taxes and penalties, except those on timber and timber products and
5 except those on diamonds, shall be general revenues and shall be allocated to
6 the various State Treasury funds participating in general revenues in the
7 respective proportions to each as provided by and to be used for the
8 respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~
9 19-20-101 et seq.; and

10
11 SECTION 331. Arkansas Code § 26-59-122(b), concerning the disposition
12 and allocation of funds generated by the estate tax, is amended to read as
13 follows:

14 (b) The Treasurer of State shall allocate and transfer the funds to
15 the various State Treasury funds participating in general revenues in the
16 respective proportions to each as provided by and to be used for the
17 respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~
18 19-20-101 et seq.

19
20 SECTION 332. Arkansas Code § 26-60-112(b)(2)(A), concerning the
21 disposition of funds collected from the real property transfer tax, is
22 amended to read as follows:

23 (A) The entire amount collected during each fiscal year
24 until there has been collected an amount of such tax equaling the amount of
25 tax collected under this chapter during fiscal year 1982-1983 shall be
26 credited as general revenues to be allocated to the various funds
27 participating in the distribution of general revenues in the amount of each
28 such fund as provided by and to be used for the respective purposes set forth
29 in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

30
31 SECTION 333. Arkansas Code § 26-62-109(a), concerning the disposition
32 of revenue generated from the alternative fuels tax, is amended to read as
33 follows:

34 (a) All of the taxes, fees, penalties, and interest collected under
35 the provisions of this chapter shall be classified as special revenues and
36 shall be deposited into the State Treasury. After deducting therefrom the

1 three percent (3%) for credit to the Constitutional Officers Fund and the
2 State Central Services Fund as provided in the Revenue Stabilization Law, §
3 ~~19-5-101~~ 19-20-101 et seq., the Treasurer of State shall transfer on the last
4 business day of each month:

5 (1) Fifteen percent (15%) of the amount thereof to the County
6 Aid Fund;

7 (2) Fifteen percent (15%) of the amount thereof to the Municipal
8 Aid Fund; and

9 (3) Seventy percent (70%) of the amount thereof to the ~~State~~
10 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
11 Fund.

12
13 SECTION 334. Arkansas Code § 26-63-106(b), concerning the disposition
14 of taxes, interest, and penalties derived from special excise taxes, is
15 amended to read as follows:

16 (b) The Treasurer of State shall allocate and transfer the general
17 revenues described in subsection (a) of this section to the various State
18 Treasury funds participating in general revenues in the respective
19 proportions to those funds as provided by and to be used for the respective
20 purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et
21 seq.

22
23 SECTION 335. Arkansas Code § 26-75-609 is amended to read as follows:
24 26-75-609. Execution of bonds.

25 The bonds shall be executed in the manner provided by the Registered
26 Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act
27 may be amended.

28
29 SECTION 336. Arkansas Code § 27-14-601(d)(1), concerning fees for the
30 registration and licensing of motor vehicles, is amended to read as follows:

31 (d)(1) All taxes, fees, penalties, interest, and other amounts
32 collected under the provisions of this section, except those set forth in
33 subdivision (d)(3) of this section, shall be classified as special revenues
34 and shall be deposited into the State Treasury. After deducting the amount to
35 be credited to the Constitutional Officers Fund and the State Central
36 Services Fund as provided under the Revenue Stabilization Law, § ~~19-5-101~~ 19-

1 20-101 et seq., the Treasurer of State shall transfer on the last business
2 day of each month:

3 (A) Fifteen percent (15%) of the amount thereof to the
4 County Aid Fund;

5 (B) Fifteen percent (15%) of the amount thereof to the
6 Municipal Aid Fund; and

7 (C) Seventy percent (70%) of the amount thereof to the
8 ~~State Highway and Transportation Department~~ Arkansas Department of
9 Transportation Fund.

10

11 SECTION 337. Arkansas Code § 27-14-601(d)(4), concerning the
12 disposition of fees for the registration and licensing of motor vehicles, is
13 amended to read as follows:

14 (4) That portion of the annual license fee collected pursuant to
15 subdivision (a)(3)(H)(ii)(f) of this section declared to be a permit fee
16 shall be classified as special revenues and shall be deposited into the State
17 Treasury. The Treasurer of State shall transfer on the last business day of
18 each month all of the portions of the annual license fees to the ~~State~~
19 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
20 Fund to be utilized for the construction, reconstruction, and maintenance of
21 highways and bridges in the state highway system.

22

23 SECTION 338. Arkansas Code § 27-14-601(e)(2), concerning the penalty
24 for owning or operating a motor vehicle without paying the required fee for
25 registration and licensing of the motor vehicle, is amended to read as
26 follows:

27 (2) If the arresting officer is:

28 (A) An officer of the Division of Arkansas State Police,
29 the fine collected shall be remitted by the tenth day of each month to the
30 Administration of Justice Funds Section on a form provided by the
31 Administration of Justice Funds Section for deposit into the Division of
32 Arkansas State Police Fund, to be used for the purchase and maintenance of
33 state police vehicles;

34 (B) An officer of the Arkansas Highway Police Division of
35 the Arkansas Department of Transportation, the fine collected shall be
36 remitted by the tenth day of each month to the Administration of Justice

1 Funds Section on a form provided by the Administration of Justice Funds
2 Section for deposit into the ~~State Highway and Transportation Department~~
3 Arkansas Department of Transportation Fund, to be used for the purchase and
4 maintenance of highway police vehicles;

5 (C) A county law enforcement officer, the fine collected
6 shall be deposited into the county fund used for the purchase and maintenance
7 of rescue, emergency medical, and law enforcement vehicles, communications
8 equipment, animals owned or used by law enforcement agencies, lifesaving
9 medical apparatus, and law enforcement apparatus, to be used for those
10 purposes; and

11 (D) A municipal law enforcement officer, the fine
12 collected shall be deposited into that municipality's fund used for the
13 purchase and maintenance of rescue, emergency medical, and law enforcement
14 vehicles, communications equipment, animals owned or used by law enforcement
15 agencies, lifesaving medical apparatus, and law enforcement apparatus, to be
16 used for those purposes.

17
18 SECTION 339. Arkansas Code § 27-14-614(c), concerning the additional
19 fee for electric vehicles and hybrid vehicles, is amended to read as follows:

20 (c) The revenues collected under this section are highway revenues as
21 defined in § 27-70-202 and shall be distributed to the ~~State Highway and~~
22 ~~Transportation Department~~ Arkansas Department of Transportation Fund, the
23 County Aid Fund, and the Municipal Aid Fund, as provided in § 27-70-206.

24
25 SECTION 340. Arkansas Code § 27-22-107(a)(2)(D), concerning motor
26 vehicle insurance reporting, is amended to read as follows:

27 (D) The department shall select a vendor under the
28 Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

29
30 SECTION 341. Arkansas Code § 27-23-118(b)(2), concerning the
31 distribution of fees collected for driving record information furnished to an
32 employer or prospective employer under the Arkansas Uniform Commercial Driver
33 License Act, is amended to read as follows:

34 (2) The remaining six dollars (\$6.00) of the fee shall be
35 deposited to the credit of the ~~State Highway and Transportation Department~~
36 Arkansas Department of Transportation Fund for distribution as provided in

1 the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

2
3 SECTION 342. Arkansas Code § 27-23-118(c)(2), concerning the
4 distribution of fees collected for driving record information furnished to
5 persons other than a driver license administrator, employer, or prospective
6 employer under the Arkansas Uniform Commercial Driver License Act, is amended
7 to read as follows:

8 (2) Six dollars (\$6.00) of the fee shall be deposited to the
9 credit of the ~~State Highway and Transportation Department~~ Arkansas Department
10 of Transportation Fund for distribution as provided in the Arkansas Highway
11 Revenue Distribution Law, § 27-70-201 et seq.; and

12
13 SECTION 343. Arkansas Code § 27-35-210(g)(3), concerning the duties of
14 agencies with respect to permits for special cargoes, is amended to read as
15 follows:

16 (3) To transmit the fees to the Treasurer of State to be
17 credited to the ~~State Highway and Transportation Department~~ Arkansas
18 Department of Transportation Fund.

19
20 SECTION 344. Arkansas Code § 27-35-211 is amended to read as follows:

21 27-35-211. Disposition of fees and penalties.

22 All fees and penalties collected under the provisions of §§ 27-35-202
23 and 27-35-210 shall be remitted by the tenth day of each month to the
24 Administration of Justice Funds Section on a form provided by that section
25 for deposit into the ~~State Highway and Transportation Department~~ Arkansas
26 Department of Transportation Fund.

27
28 SECTION 345. Arkansas Code § 27-35-308(b), concerning the disposition
29 of fees related to manufactured homes and houses, is amended to read as
30 follows:

31 (b) The net amount shall be credited to the ~~State Highway and~~
32 ~~Transportation Department~~ Arkansas Department of Transportation Fund, there
33 to be used for the operation and maintenance of the Arkansas Highway Police
34 Division of the Arkansas Department of Transportation.

35
36 SECTION 346. Arkansas Code § 27-50-912(f)(2), concerning fees for

1 insureds monitored under the driver monitoring program, is amended to read as
2 follows:

3 (2) The Office of Driver Services shall authorize that one cent
4 (1c) of the revenues from subdivision (f)(1) of this section shall be special
5 revenues and deposited into the State Treasury to the credit of the ~~State~~
6 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
7 Fund for distribution as provided in the Arkansas Highway Revenue
8 Distribution Law, § 27-70-201 et seq.

9

10 SECTION 347. Arkansas Code § 27-64-203(5)(B), concerning the revenues
11 included in the definition of "designated revenues" used under the Arkansas
12 Highway Financing Act of 1999, is amended to read as follows:

13 (B) Revenues derived from the increase in taxes levied on
14 distillate special fuels pursuant to § 26-56-201 and transferred to the ~~State~~
15 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
16 Fund pursuant to § 27-70-207(d) in accordance with §§ 26-56-201 and 26-55-
17 1006; and

18

19 SECTION 348. Arkansas Code § 27-64-206(b)(2)(B), concerning elections
20 on the approval of bonds under the Arkansas Highway Financing Act of 1999, is
21 amended to read as follows:

22 (B) The bonds shall be general obligations of the State of
23 Arkansas, payable from certain designated revenues and also secured by the
24 full faith and credit of the State of Arkansas, including its general
25 revenues. Pursuant to this subchapter, the "Bond Act", the bonds will be
26 repaid first from revenues derived from federal highway assistance funding
27 allocated to the State of Arkansas designated as federal highway interstate
28 maintenance funds, and, if needed, that portion of national highway system
29 funds authorized by State Highway Commission Minute Order 98-214 adopted
30 September 22, 1998, and, second, from revenue derived from the increase in
31 the excise tax levied on distillate special fuels and diesel pursuant to §
32 26-56-201(e) and transferred to the ~~State Highway and Transportation~~
33 ~~Department~~ Arkansas Department of Transportation pursuant to § 27-70-207(d)
34 in accordance with § 26-56-201(f) and § 26-55-1006(d). To the extent that
35 designated revenues are insufficient to make timely payment of debt service
36 on the bonds, such payment shall be made from the general revenues of the

1 State of Arkansas. The bonds shall be issued pursuant to the authority of and
2 the terms set forth in this subchapter.

3
4 SECTION 349. Arkansas Code § 27-64-206(b)(2)(D), concerning elections
5 on the approval of bonds under the Arkansas Highway Financing Act of 1999, is
6 amended to read as follows:

7 (D) Pursuant to this subchapter, "designated revenues" are
8 defined as that portion designated by the commission of all funds received or
9 to be received from the United States Government as federal highway
10 interstate maintenance funds, and, if needed, that portion of national
11 highway system funds authorized by State Highway Commission Minute Order 98-
12 214 adopted September 22, 1998, and revenues derived from the increase in
13 taxes levied on distillate special fuels pursuant to § 26-56-201(e) and
14 transferred to the ~~State Highway and Transportation Department~~ Arkansas
15 Department of Transportation Fund pursuant to § 27-70-207(d) in accordance
16 with § 26-56-201(f) and § 26-55-1006(d). Designated revenues shall not
17 include the revenues derived from the increase in tax on motor fuel,
18 gasoline, resulting from the Arkansas Distillate Special Fuel Excise Tax Act
19 of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006,
20 26-56-201, and 27-72-305. The bonds are further secured by the full faith and
21 credit of the State of Arkansas, and to the extent that designated revenues
22 are insufficient to make timely payment of debt service on the bonds, the
23 general revenues of the state shall be used to pay debt service on the bonds.
24 Pursuant to § 26-56-201, the excise tax on distillate special fuels, in
25 addition to the taxes levied pursuant to §§ 26-56-201, 26-56-502, and 26-56-
26 601, will increase by two cents (2¢) per gallon on April 1, 1999, and the
27 additional tax levied by § 26-56-201(e) shall increase to four cents (4¢) per
28 gallon on the first anniversary of such date.

29
30 SECTION 350. Arkansas Code § 27-64-211(a)(2)(B), concerning sources of
31 repayment for general obligation bonds issued under the Arkansas Highway
32 Financing Act of 1999, is amended to read as follows:

33 (B) Revenues derived from the increase in taxes levied on
34 distillate special fuels pursuant to § 26-56-201 and transferred to the ~~State~~
35 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
36 Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d) and § 26-

1 56-201(f).

2

3 SECTION 351. Arkansas Code § 27-64-405(b), concerning elections on the
4 approval of bonds under the Arkansas Interstate Highway Financing Act of
5 2007, is amended to read as follows:

6 (b) The notice of election shall state that the election is to be held
7 for the purpose of submitting to the people the following proposition in
8 substantially the form set forth in this subsection:

9 "Authorizing the State Highway Commission to issue State of Arkansas
10 Federal Highway Grant Anticipation and Tax Revenue Bonds (the 'Bonds') from
11 time to time provided that the total principal amount outstanding from the
12 issuance of such bonds, together with the total principal amount outstanding
13 from the issuance of bonds pursuant to the Arkansas Highway Financing Act of
14 1999, § 27-64-201 et seq., shall not, at any time, exceed five hundred
15 seventy-five million dollars (\$575,000,000). If approved, the bonds will be
16 issued in one (1) or more series of various principal amounts with the last
17 series being issued no later than December 31, 2015. The bonds shall be
18 issued for the purpose of paying the cost of constructing and renovating
19 improvements to interstate highways and related facilities in the State of
20 Arkansas.

21 "The bonds shall be general obligations of the State of Arkansas,
22 payable from certain designated revenues and also secured by the full faith
23 and credit of the State of Arkansas, including its general revenues. Pursuant
24 to the Arkansas Interstate Highway Financing Act of 2007 (the 'Bond Act'), §
25 27-64-401 et seq., the bonds will be repaid first from: (1) revenues derived
26 from federal highway assistance funding allocated to the State of Arkansas
27 designated as federal highway interstate maintenance funds, and (2) revenue
28 derived from the increase in the excise tax levied on distillate special
29 fuels (diesel) pursuant to § 26-56-201(e) and transferred to the ~~State~~
30 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
31 Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d). To the
32 extent that designated revenues are insufficient to make timely payment of
33 debt service on the bonds, such payment shall be made from the general
34 revenues of the State of Arkansas. The bonds shall be issued pursuant to the
35 authority of and the terms set forth in the Bond Act, § 27-64-401 et seq.

36 "Pursuant to the Bond Act, § 27-64-401 et seq., the highway

1 improvements to be financed are limited to the restoration and improvements
2 to all of the interstate highway system within the state, including roadways,
3 bridges, or rights-of-way under jurisdiction of the State Highway Commission,
4 which shall also include the acquisition, construction, reconstruction, and
5 renovation of such interstate highway system and facilities appurtenant or
6 pertaining thereto.

7 "Pursuant to the Bond Act, § 27-64-401 et seq., 'designated revenues'
8 are defined as: (1) that portion designated by the commission of all funds
9 received or to be received from the federal government as federal highway
10 interstate maintenance funds, and (2) revenues derived from the increase in
11 taxes levied on distillate special fuels pursuant to § 26-56-201(e) and
12 transferred to the ~~State Highway and Transportation Department~~ Arkansas
13 Department of Transportation Fund pursuant to Arkansas Code § 27-70-207(d) in
14 accordance with § 26-55-1006(d). Designated revenues shall not include the
15 revenues derived from the increase in tax on motor fuel (gasoline) resulting
16 from the 'Arkansas Distillate Special Fuel Excise Tax Act of 1999' and the
17 'Motor Fuel Excise Tax Act of 1999', §§ 26-55-1005, 26-55-1006, 26-56-201,
18 and 27-72-305. The bonds are further secured by the full faith and credit of
19 the State of Arkansas, and to the extent 'designated revenues' are
20 insufficient to make timely payment of debt service on the bonds, the general
21 revenues of the state shall be used to pay debt service on the bonds."

22

23 SECTION 352. Arkansas Code § 27-64-410(b)(2), concerning the sources
24 of repayment for State of Arkansas Federal Grant Anticipation and Tax Revenue
25 Bonds or GARVEE bonds under the Arkansas Interstate Highway Financing Act of
26 2007, is amended to read as follows:

27 (2) Revenues derived from the increase in taxes levied on
28 distillate special fuels pursuant to § 2 of the Arkansas Distillate Special
29 Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-
30 55-1005, 26-55-1006, 26-56-201, and 27-72-305, and transferred to the ~~State~~
31 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
32 Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d).

33

34 SECTION 353. Arkansas Code § 27-65-107(a)(18)(A)(i), concerning the
35 powers and duties of the State Highway Commission to propose and submit
36 certain rules, is amended to read as follows:

1 (i) Criteria for distribution of funds and the
2 distribution of funds from the:

3 (a) ~~State Highway and Transportation~~
4 ~~Department~~ Arkansas Department of Transportation Fund; and

5 (b) Road and Bridge Repair, Maintenance, and
6 Grants Fund;

7
8 SECTION 354. Arkansas Code § 27-65-112(e), concerning acceptance of
9 federal aid by the State Highway Commission, is amended to read as follows:

10 (e) Any and all moneys so received shall be credited to the ~~State~~
11 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
12 Fund.

13
14 SECTION 355. Arkansas Code § 27-65-131(c), concerning bonds furnished
15 by suppliers and employees of the State Highway Commission, is amended to
16 read as follows:

17 (c) All bonds required by this act of officials or employees of the
18 commission or required by the commission of its employees shall be executed
19 by a solvent surety company authorized to do business in the state and
20 approved by the commission and filed with the Secretary of State, and the
21 premium shall be paid out of the ~~State Highway and Transportation Department~~
22 Arkansas Department of Transportation Fund. The commission may itself take
23 surety bonds on any or all employees and pay the premium thereon.

24
25 SECTION 356. Arkansas Code § 27-66-601(d), concerning state inmates
26 working on roads, is amended to read as follows:

27 (d) The pay of the wardens or other officers and the cost of
28 maintenance, including clothing, food, and housing for the state inmates
29 while working on roads shall be paid out of the ~~State Highway and~~
30 ~~Transportation Department~~ Arkansas Department of Transportation Fund.

31
32 SECTION 357. Arkansas Code § 27-67-206(i), concerning the construction
33 of roads of the state highway system, is amended to read as follows:

34 (i) The commission may let contracts for the construction of necessary
35 bridges on the state highways to be paid for out of the ~~State Highway and~~
36 ~~Transportation Department~~ Arkansas Department of Transportation Fund.

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SECTION 358. Arkansas Code § 27-67-207(d), concerning maintenance of state highways, is amended to read as follows:

(d) The commission may make all necessary contracts, purchase all necessary equipment, supplies, and materials, and employ all necessary labor and is given all other necessary powers to provide for maintenance and shall pay for the same out of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 359. Arkansas Code § 27-67-308(b), concerning the authority of the State Highway Commission to pay compensation for real property and the source of revenue for the payments, is amended to read as follows:

(b) With respect to the costs of acquiring lands and real property for state highway purposes, the commission shall assess counties in which the land or property is located no part of the cost with respect to highways in the primary system and fifty percent (50%) of the cost with respect to highways in the secondary system. The county portion shall be deducted from the next payment due any county by reason of any appropriation out of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund or state revenue from gasoline as motor vehicle fuel or automobile license tax to the county or county highway fund of the county.

SECTION 360. Arkansas Code § 27-69-207(b), concerning funds for the Mississippi River Parkway, is amended to read as follows:

(b) The authorizations made for expenditures from the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund in subsection (a) of this section shall be made by the State Highway Commission as it deems in the best interests of the State of Arkansas and shall be limited to expenditures not exceeding seven thousand five hundred dollars (\$7,500) for fees, dues, and other expenses during any one (1) fiscal year.

SECTION 361. Arkansas Code § 27-70-103(b), concerning the State Highway Special Construction Account, is amended to read as follows:

(b) After deducting therefrom the three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund as required by § 27-70-206(1), the Treasurer of State shall transfer the net amount

1 remaining to the ~~State Highway and Transportation Department~~ Arkansas
2 Department of Transportation Fund to be set aside in a special account
3 therein to be known as the State Highway Special Construction Account to be
4 used solely and exclusively by the State Highway Commission:

5 (1) For construction of roads and highways on the state highway
6 system; and

7 (2) To provide funds for transfer to the State Aid Road Fund as
8 may be provided by law.

9
10 SECTION 362. Arkansas Code §§ 27-70-204 and 27-20-205 are amended to
11 read as follows:

12 27-70-204. Interest on funds of Arkansas Department of Transportation.

13 (a) On the second business day that the State Treasury is open after
14 the twenty-fifth day of the month, the Treasurer of State shall compute the
15 balance of the ~~State Highway and Transportation Department~~ Arkansas
16 Department of Transportation Fund, including all internal accounts and funds,
17 including, but not limited to, the State Highway Special Construction
18 Account, the State Aid Road Fund, the State Aid Street Fund, the ~~State~~
19 ~~Highway and Transportation Department~~ Arkansas Department of Transportation
20 Fund, and any other funds administered by the Arkansas Department of
21 Transportation during the preceding month and shall transfer on that day to
22 the ~~State Highway and Transportation Department~~ Arkansas Department of
23 Transportation Fund interest on the balance to be computed as authorized
24 under § ~~19-3-518(d)(4)~~ 19-3-318(d)(4), excluding the interest rate paid on
25 open account deposits, during the preceding month.

26 (b)(1) Except as provided in subdivision (b)(2) of this section,
27 interest earned on the accounts described in subsection (a) of this section
28 shall be classified as special revenues to be used as authorized under § ~~19-~~
29 ~~6-405~~ 19-43-204.

30 (2) Interest income generated from the Arkansas Four-Lane
31 Highway Construction and Improvement Bond Account shall be distributed as
32 required under § 27-70-206.

33
34 27-70-205. Federal Revenue Sharing State Highway Trust Fund Account.
35 Commencing with the federal funds received by the State of Arkansas
36 under the provisions of the State and Local Fiscal Assistance Act of 1972,

1 Pub. L. No. 92-512, as amended, commonly and hereinafter referred to as
2 “federal revenue-sharing funds”, all federal revenue sharing funds received
3 each fiscal year by the State of Arkansas for the use and benefit of the
4 State of Arkansas shall be transferred to and allocated to a special trust
5 fund to be established in the ~~State Highway and Transportation Department~~
6 Arkansas Department of Transportation Fund, to be known as the Federal
7 Revenue Sharing State Highway Trust Fund Account, to be set aside and used by
8 the State Highway Commission solely and exclusively for construction of
9 highways on the state highway system and the state aid street system. All
10 funds shall be administered and the controls and accounting thereof shall be
11 in accordance with the provisions of the State and Local Fiscal Assistance
12 Act of 1972, Pub. L. No. 92-512, as amended, and all regulations promulgated
13 thereunder, and in accordance with the laws of this state governing the
14 advertising and awarding contracts for, and payment of, construction
15 contracts to be awarded by the commission.

16
17 SECTION 363. Arkansas Code § 27-70-206(1), concerning the distribution
18 of highway revenues to state funds, is amended to read as follows:

19 (1) First, except as provided by § ~~19-5-207~~ 19-21-107, three
20 percent (3%) of the amount thereof to the Constitutional Officers Fund and
21 the State Central Services Fund, there to be used for the purposes specified
22 for each fund by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

23
24 SECTION 364. Arkansas Code § 27-70-206(3), concerning the distribution
25 of highway revenues to state funds, is amended to read as follows:

26 (3) After meeting the requirements set out in subdivisions (1)
27 and (2) of this section, all remaining highway revenues which are available
28 for distribution during each fiscal year shall be transferred in the
29 following manner: Fifteen percent (15%) of the amount thereof to the County
30 Aid Fund; fifteen percent (15%) of the amount thereof to the Municipal Aid
31 Fund; and seventy percent (70%) of the amount thereof to the ~~State Highway~~
32 ~~and Transportation Department~~ Arkansas Department of Transportation Fund.

33
34 SECTION 365. Arkansas Code § 27-70-207(d)(1), concerning the
35 distribution of highway revenues to county and city funds, is amended to read
36 as follows:

1 (d)(1) All highway revenues transferred to the ~~State Highway and~~
2 ~~Transportation Department~~ Arkansas Department of Transportation Fund under
3 the provisions of this subchapter shall be used for the construction,
4 reconstruction, and maintenance of highways and bridges in the state highway
5 system.

6
7 SECTION 366. Arkansas Code § 27-70-207(d)(2)(A), concerning the
8 distribution of highway revenues to county and city funds, is amended to read
9 as follows:

10 (2)(A) However, the Arkansas Department of Transportation may
11 use highway revenues transferred to the ~~State Highway and Transportation~~
12 ~~Department~~ Arkansas Department of Transportation for the installation,
13 upgrading, or improvement of any highway-railroad crossing safety device,
14 railroad crossing traffic control device, warning lights, crossing gates, or
15 other railroad crossing safety devices at public highway railroad crossings
16 and for the construction, reconstruction, and maintenance of any highway-
17 railroad crossing, including the construction or installation of any
18 underpasses or overpasses.

19
20 SECTION 367. Arkansas Code § 27-72-305(a)(1), concerning the State Aid
21 Road Fund, is amended to read as follows:

22 (a)(1) There is created in the State Treasury a fund to be known as
23 the State Aid Road Fund, to which the Treasurer of State shall transfer one
24 hundred percent (100%) of the revenues credited to the State Highway Special
25 Construction Account of the ~~State Highway and Transportation Department~~
26 Arkansas Department of Transportation Fund each month until an aggregate
27 total of thirteen million dollars (\$13,000,000) each fiscal year is so
28 transferred, there to be used for construction, reconstruction, and
29 improvements of the state aid road system.

30
31 SECTION 368. Arkansas Code § 27-72-318(c), concerning county highway
32 revenue estimates, is amended to read as follows:

33 (c) In addition to the estimate of the total amounts of county road
34 funds by legislated source categories to be collected and apportioned, the
35 Chief Fiscal Officer of the State shall incorporate in each official estimate
36 a listing of all counties and an estimate of the amount of county road funds

1 by legislated source category to be credited to each county under the current
2 provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

3
4 SECTION 369. Arkansas Code § 27-72-319(a), concerning advance
5 transfers from the County Road Construction and Maintenance Revolving Fund,
6 is amended to read as follows:

7 (a) Moneys at any time in the County Road Construction and Maintenance
8 Revolving Fund shall be available to the Chief Fiscal Officer of the State
9 only for the purposes of making advance transfers to the several county
10 highway funds, state aid road funds, federal-aid secondary road funds, and
11 all other provisions of county road construction assistance which may be
12 enacted by the General Assembly and governed by the Revenue Stabilization
13 Law, § ~~19-5-101~~ 19-20-101 et seq.

14
15 SECTION 370. Arkansas Code § 27-89-305 is amended to read as follows:
16 27-89-305. Use of state funds – Appropriation necessary for
17 construction funds.

18 The State Highway Commission is authorized to use moneys appropriated
19 for the operation of the Arkansas Department of Transportation for payment of
20 the State of Arkansas's pro rata share of the administrative costs of the
21 compact authority, but shall have no authority to authorize, or contract for,
22 the use of moneys in the ~~State Highway and Transportation Department~~ Arkansas
23 Department of Transportation Fund for the construction of the Arkansas-
24 Mississippi Great River Bridge, except upon specific authorization and
25 appropriation thereof by the General Assembly.

26
27 SECTION 371. Arkansas Code § 27-101-1004(d)(2)(A), concerning
28 application for a certificate of title, is amended to read as follows:

29 (2)(A) The Treasurer of State shall deduct a percentage of the
30 gross amount of the certificate of title application fee collected under
31 subdivision (c)(1) of this section for the benefit of the Constitutional
32 Officers Fund and the State Central Services Fund as required in §§ ~~19-5-202~~
33 ~~and 19-5-203~~ 19-21-102 and 19-21-103.

34
35 SECTION 372. Arkansas Code § 27-101-1005(d)(2)(A), concerning lost or
36 damaged certificates of title, is amended to read as follows:

1 (2)(A) A percentage of the gross amount thereof shall be
2 deducted by the Treasurer of State for the benefit of the Constitutional
3 Officers Fund and the State Central Services Fund as required in §§ ~~19-5-202~~
4 ~~and 19-5-203~~ 19-21-102 and 19-21-103.

5
6 SECTION 373. DO NOT CODIFY. Construction.

7 (a) The enactment and adoption of this act shall not expressly or
8 impliedly repeal an act passed during the regular session of the Ninety-Fifth
9 General Assembly.

10 (b) To the extent that a conflict exists between an act of the regular
11 session of the Ninety-Fifth General Assembly and this act:

12 (1) The act of the regular session of the Ninety-Fifth General
13 Assembly shall be treated as a subsequent act passed by the General Assembly
14 for the purposes of:

15 (A) Giving the act of the regular session of the Ninety-
16 Fifth General Assembly its full force and effect; and

17 (B) Amending or repealing the appropriate parts of the
18 Arkansas Code of 1987; and

19 (2) Section 1-2-107 shall not apply.

20
21 SECTION 374. DO NOT CODIFY. Incorporation of legislation into
22 recodified Arkansas Code, Title 19 and related amendments.

23 (a) For purposes of incorporation into the recodified Arkansas Code,
24 Title 19, created by this act and related amendments to the Arkansas Code
25 made in connection with the recodification of Arkansas Code, Title 19, all
26 references in the acts passed at the regular session of the Ninety-Fifth
27 General Assembly to Arkansas Code, Title 19, or to provisions of the Arkansas
28 Code amended by this act in connection with the recodification of Arkansas
29 Code, Title 19, shall be deemed to refer to the applicable or corresponding
30 provisions contained in the recodified Arkansas Code, Title 19 and related
31 amendments to the Arkansas Code made in connection with the recodification of
32 Arkansas Code, Title 19.

33 (b) The Bureau of Legislative Research, while assisting the Arkansas
34 Code Revision Commission with the commission's powers and duties, shall:

35 (1) Incorporate acts passed in the regular session of the
36 Ninety-Fifth General Assembly amending Arkansas Code, Title 19, or to

1 provisions of the Arkansas Code amended by this act in connection with the
2 recodification of Arkansas Code, Title 19, into the appropriate provisions of
3 the Arkansas Code so long as those revisions do not result in a change in the
4 substance or meaning of a provision of the act; and

5 (2) Make technical changes to the Arkansas Code necessary to
6 implement this act, including without limitation changes to citations in the
7 Arkansas Code referencing provisions of Arkansas law amended by this act.

8
9 SECTION 375. DO NOT CODIFY. Technical revisions to Code of Arkansas
10 Rules.

11 The General Assembly finds that:

12 (1) As a result of the recodification of Title 19 and other
13 amendments to the Arkansas Code under this act, multiple statutory references
14 to Title 19 or other provisions of Arkansas law in the Code of Arkansas Rules
15 will be incorrect and require revision to reflect the changes implemented by
16 this act; and

17 (2) It is the intent of the General Assembly that these
18 provisions of the Code of Arkansas Rules be updated by the Bureau of
19 Legislative Research as part of its maintenance of the Code of Arkansas
20 Rules.

21 (b) The bureau shall update statutory references to Title 19 or other
22 provisions of Arkansas law in the Code of Arkansas Rules to reflect the
23 proper citations under this act.

24 (c) Any person or state entity identifying one (1) or more citations
25 contained in the Code of Arkansas Rules that require revision to implement
26 this act may notify the Director of the Bureau of Legislative Research or his
27 or her designee of the citations at issue.

28
29 SECTION 376. DO NOT CODIFY. Correction of technical errors related to
30 implementation of recodification of Arkansas Code, Title 19.

31 (a)(1) The General Assembly finds that:

32 (A) The implementation of this act involves a multitude of
33 changes to existing Arkansas law;

34 (B) Many of the changes implemented by this act are highly
35 technical and require careful study of the purpose and context of each
36 Arkansas Code section, with the need for some of the changes not becoming

1 apparent until after the implementation of this act;

2 (C) When implementing revisions as large and comprehensive
3 as the changes under this act, it is inevitable that certain sections of the
4 Arkansas Code requiring technical changes to follow the intent of this act
5 will be either omitted or amended in a manner that is later found to be
6 erroneous and unintentional;

7 (D) It is likewise inevitable that other acts enacted by
8 the Ninety-Fifth General Assembly will not take into account the changes in
9 this act, resulting in technical inconsistencies between newly passed laws;
10 and

11 (E) If the correct statutory change to remedy an
12 unintentional error or an inconsistency between this act and another act of
13 the Ninety-Fifth General Assembly is readily apparent and consistent with the
14 intent of this act, the unintentional error or inconsistency should be
15 corrected as part of the codification process due to the technical nature of
16 the unintentional error or inconsistency.

17 (2) It is the intent of the General Assembly to empower the
18 Arkansas Code Revision Commission to correct technical errors identified in
19 the Arkansas Code during the implementation of this act to allow this act to
20 be fully implemented.

21 (b)(1)(A) Any person or state entity identifying one (1) or more
22 sections of the Arkansas Code that require revision to implement the intent
23 of this act may notify the Director of the Bureau of Legislative Research or
24 his or her designee of the section or sections at issue.

25 (B) If the Bureau of Legislative Research, while assisting
26 the commission with the commission's powers and duties, becomes aware of one
27 (1) or more sections of the Arkansas Code that require revision to implement
28 the intent of this act for which it appears that the bureau and the
29 commission do not have authority to make the necessary revision under § 1-2-
30 303(d), the bureau may notify the commission of the section or sections at
31 issue.

32 (2) If the commission determines that the revision necessary to
33 one (1) or more sections of the Arkansas Code under subdivision (b)(1) of
34 this section is technical in nature, germane to the intent of this act, and
35 consistent with this act's policy and purposes, the commission may make the
36 revision to the Arkansas Code.

1 (3) The commission shall notify the publisher of the Arkansas
2 Code of a revision to the Arkansas Code under subdivision (b)(2) of this
3 section as soon as possible so that the revision may be reflected in the
4 official hard copy version of the Arkansas Code and the official electronic
5 version of the Arkansas Code.

6 (4)(A) Except as provided in subdivision (b)(4)(B) of this
7 section, when the commission approves a revision to the Arkansas Code under
8 subdivision (b)(2) of this section, the commission shall notify the following
9 of the revision within thirty (30) days:

10 (i) The Speaker of the House of Representatives;

11 (ii) The President Pro Tempore of the Senate; and

12 (iii) The Legislative Council.

13 (B) The commission is not required to make a notification
14 under subdivision (b)(4)(A) of this section if the revision is made under §
15 1-2-303(d).

16 (c) The authority granted to the commission under this section is
17 supplemental to the commission's authority under § 1-2-303.

18 (d) This section shall expire on December 31, 2026.

19
20 */s/M. Shepherd*
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