

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

A Bill

SENATE BILL 633

5 By: Senator J. Bryant
6 By: Representative Jean
7

For An Act To Be Entitled

8
9 AN ACT TO PROVIDE FUNDING FOR THE CORRECTIONAL
10 FACILITIES SET-ASIDE; TO PROVIDE FOR THE TRANSFER OF
11 FUNDS FROM THE SECURITIES RESERVE FUND; TO DECLARE AN
12 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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16 TO PROVIDE FUNDING FOR THE CORRECTIONAL
17 FACILITIES SET-ASIDE; TO PROVIDE FOR THE
18 TRANSFER OF FUNDS FROM THE SECURITIES
19 RESERVE FUND; AND TO DECLARE AN
20 EMERGENCY.
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 19-5-905(a)(12), concerning the uses of the
25 Securities Reserve Fund, is amended to read as follows:

26 (12) After all distributions and transfers under this section,
27 less one hundred thousand dollars (\$100,000) under § 19-3-521(a)(2), for a
28 transfer by the Chief Fiscal Officer of the State on the last business day of
29 the fiscal year for that fiscal year ~~of the fund balances to the Catastrophe~~
30 ~~Reserve Fund~~ shall be held in a sub-fund as necessary to be distributed as
31 follows:

32 (A) On July 1, 2025 or upon the effective date of this
33 Act:

34 (i) The lesser of the remaining fund balance or one
35 hundred twenty-five million dollars (\$125,000,000) to the Correctional
36 Facilities Set-Aside in the Restricted Reserve Fund; and



1 (ii) On September 2, 2025, any remaining fund
 2 balance, after the transfers under subdivisions (a)(12)(A)(i) of this section
 3 and then any other transfers authorized by the General Assembly, to the
 4 General Revenue Allotment Reserve Fund;

5 (B) On July 1, 2026:

6 (i) The lesser of the remaining fund balance or
 7 forty-five million dollars (\$45,000,000) to the Correctional Facilities Se-
 8 Aside in the Restricted Reserve Fund; and

9 (ii) On July 3, 2026 any remaining fund balance
 10 after the transfers under subdivisions (a)(12)(B)(i) of this section, and
 11 then any other transfers authorized by the General Assembly, to the General
 12 Revenue Allotment Reserve Fund;

13 (C) On July 2, 2027:

14 (i) Any remaining fund balance, after any transfers
 15 authorized by the General Assembly, to the General Revenue Allotment Reserve
 16 Fund; and

17 (D) For fiscal years beginning on and after July 1, 2028,
 18 on the last business day of the fiscal year the remaining fund balance to the
 19 General Revenue Allotment Reserve Fund.

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 21 SECTION 2. Arkansas Code § 19-5-1004(b), concerning the revenues that
 22 make up the General Revenue Allotment Reserve Fund, is amended to read as
 23 follows:

24 (b) Unless otherwise provided by law, the General Revenue Allotment Reserve
 25 Fund shall consist of:

26 (1) The remainder of the general revenues collected by the state after
 27 deductions as specified in § 19-5-202 have been made and which are not
 28 required to fulfill the requirements of the maximum allotments of general
 29 revenues as may be provided in the Revenue Stabilization Law, § 19-5-101 et
 30 seq., for the fiscal year in which the general revenues were collected and
 31 deposited into the State Treasury; and

32 (2) The portion not determined to be special revenues by § 19-6-110 of the
 33 year-end fund balances of the funds and fund accounts created in § 19-5-302,
 34 except for § 19-5-302(11)(A), and in § 19-5-304(2)--(7) and (10), §§ 19-5-
 35 306, 19-5-307, 19-6-404, and 19-6-411, which fund balances are to be
 36 transferred on or before August 15 of the fiscal year next following the

1 fiscal year during which balances accrued.

2 (3) The remaining fund balance in the Securities Reserve Fund under § 19-
3 5-905(a)(12).

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5 SECTION 3. DO NOT CODIFY. PRISON CONSTRUCTION FUND TRANSFER.

6 Immediately upon the effective date of this Act, the Chief Fiscal Officer of
7 the State shall transfer on his or her books and those of the State Treasurer
8 and the Auditor of the State the sum of two hundred and fifty million dollars
9 (\$250,000,000) from the General Revenue Allotment Reserve Fund to the
10 Correctional Facilities Set-Aside in the Restricted Reserve Fund, which shall
11 be in addition to existing balances in the Correctional Facilities Set-Aside
12 as established in Section 3(a)(2) of Act 561 of 2023.

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14 SECTION 4. DO NOT CODIFY. PRISON CONSTRUCTION REPORTING REQUIREMENTS.

15 (a) The Department of Corrections shall report quarterly to the Arkansas
16 Legislative Council or Joint Budget Committee the status of all prison
17 construction activity that will not compromise the security or compromise the
18 integrity of the facility, to include the following:

19 (1) Projected cost summaries, which shall include budgeted amounts,
20 expenditures, funds balances, projected funding and the source of funds;

21 (2) Summary of the design of the facility, that may be provided without
22 any risk of a breach of security;

23 (3) A summary of any contract bidding process related to the construction
24 of the prison;

25 (4) A summary of any contracts awarded, notice to proceed, methods of
26 finance, grant awards, which shall include contract and grant amount(s), and
27 the amount(s) paid to date;

28 (5) Schedule of timelines and milestones, which shall include,
29 construction start, construction completion and occupancy;

30 (6) Summary of the number of beds and style of beds;

31 (7) Plans for inmate programming at the prison facility;

32 (8) Projected activity for the next quarter; and

33 (9) Any other information as requested by the Arkansas Legislative Council
34 or Joint Budget Committee.

35 (b) The provisions of this section shall be in effect from July 1, 2025
36 through the completion of the Prison Construction Project.

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2 SECTION 5. DO NOT CODIFY. Conditions and Audit. (a) Transfer of
3 funds from the "Restricted Reserve Fund" shall be made only after the Chief
4 Fiscal Officer of the State has determined that all criteria or pre-
5 conditions established in the appropriation act to receive the transfer have
6 been met and that a Method of Finance has been filed with the Office of
7 Accounting in the Department of Finance and Administration, if required.

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

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

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16 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General
17 Assembly, that the Constitution of the State of Arkansas prohibits the
18 appropriation of funds for more than a one (1) year period; that the
19 effectiveness of this Act upon passage and approval is essential to allow
20 transfers which can provide an additional funding mechanism for the
21 construction and operation of a state prison, as well as to address
22 unforeseen needs, and a delay in its effectiveness could work irreparable
23 harm upon the proper transfer of funds, administration and provision of
24 essential governmental programs. Therefore, an emergency is hereby declared
25 to exist and this Act being necessary for the immediate preservation of the
26 public peace, health, and safety shall be in full force and effect upon
27 passage and approval. If the bill is neither approved nor vetoed by the
28 Governor, it shall become effective on the expiration of the period of time
29 during which the Governor may veto the bill. If the bill is vetoed by the
30 Governor and the veto is overridden, it shall become effective on the date
31 the last house overrides the veto.