

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 155

By: Senator Teague
By: Representative Jean

For An Act To Be Entitled

AN ACT TO CREATE THE DEVELOPMENT AND ENHANCEMENT FUND TO PROVIDE AUTHORITY TO COMPLETE PROJECTS AND PROVIDE A MECHANISM FOR STATE INFRASTRUCTURE AND UNANTICIPATED NEEDS; TO REPEAL THE GENERAL IMPROVEMENT FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE DEVELOPMENT AND ENHANCEMENT FUND; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. DO NOT CODIFY. LEGISLATIVE INTENT. It is the intent of the General Assembly that the creation of the Development and Enhancement Fund is necessary to provide a mechanism to disburse funds for:

- (1) Various construction and improvement projects;
- (2) Unforeseen needs;
- (3) Funding deficiencies; and
- (4) The completion of projects previously funded by the General Assembly.

SECTION 2. Arkansas Code § 6-62-709(b), concerning the Arkansas College Savings Bond Act, 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 ~~such~~ funds shall be used to defray ~~said the~~ debt service requirements in ~~such~~ 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 ~~such term is~~ defined in the Revenue Stabilization Law, § 19-5-101 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 ~~provisions of the~~ Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 3. Arkansas Code § 6-62-1104(b)(1), concerning higher education technology and facility improvement, is amended to read as follows:

(b)(1) Upon receipt of the plan, the Governor shall confer with the Chief Fiscal Officer of the State concerning the amount and availability of unrestricted funds in the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, that would be used to meet the debt service requirements.

SECTION 4. Arkansas Code § 8-5-807(b)(2)(A), concerning the Small Business Revolving Loan Fund, is amended to read as follows:

(A) All funds transferred from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, to be otherwise provided by law for the Small Business Revolving Loan Fund;

SECTION 5. Arkansas Code § 12-8-125(a), concerning the Small Municipality Law Enforcement Vehicle Grant Program, is amended to read as follows:

(a) There is created the "Small Municipality Law Enforcement Vehicle Grant Program", to be administered by the Department of Arkansas State Police with funding from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

SECTION 6. Arkansas Code § 14-171-218 is amended to read as follows:

14-171-218. Future applicants.

Any applications submitted after January 1, 2001, for state aid for the expansion of eligible facilities or for new facilities shall be submitted to the General Assembly and any appropriation for the expansion or new facility shall be made from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

SECTION 7. Arkansas Code § 19-4-1412(a), concerning the construction of buildings and facilities, is amended to read as follows:

(a) If, after the expiration date of the second biennial period for which funds have been appropriated for the benefit of any specific capital improvement project, there remains a balance of funds or appropriations, then such fund balances as may remain in the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, for the benefit of the capital improvement project shall be reallocated for the benefit of proposed new or existing capital improvement projects of the various state agencies as may be enacted.

SECTION 8. Arkansas Code § 19-5-304(9)(B)(ii), concerning general revenue operating funds and fund accounts, is amended to read as follows:

(ii) Moneys transferred from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund; and

SECTION 9. Arkansas Code § 19-5-501(b)(4), concerning the Budget Stabilization Trust Fund, is amended to read as follows:

(4) Making transfers to the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, as established in § 19-5-1005 in order to provide supplemental funding for appropriations supported from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, as may be provided by law;

SECTION 10. Arkansas Code § 19-5-1004(c), concerning the General Revenue Allotment Reserve Fund, is amended to read as follows:

(c) Any funds that remain in the Department of Career Education Fund

Account or the fund accounts created in § 19-5-304(8) at the end of a fiscal year due to the provisions of this section shall be transferred by the Chief Fiscal Officer of the State to the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, there to be used exclusively to provide additional funding for appropriations for the applicable vocational and technical schools, technical institutes, or comprehensive lifelong learning centers, that are made payable from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

SECTION 11. Arkansas Code § 19-5-1005 is amended to read as follows:
 19-5-1005. ~~General Improvement Fund~~ Development and Enhancement Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the ~~"General Improvement Fund"~~ "Development and Enhancement Fund".

(b) The ~~fund~~ Development and Enhancement Fund shall consist of those special revenues specified in § 19-6-301(171) and any other funds made available by the General Assembly from time to time.

(c) The fund shall be used to provide financing of various projects authorized by the General Assembly and to make temporary loans ~~to funds receiving general revenue as set out in § 19-5-302~~ or provide funding for appropriations authorized by the General Assembly.

(d) The Development and Enhancement Fund shall be the successor fund to the General Improvement Fund for the payment of any outstanding balances, warrants, and reappropriations enacted by the General Assembly previously payable from the General Improvement Fund.

SECTION 12. Arkansas Code § 19-5-1039(b), concerning the Rural Health Services Revolving Fund, is amended to read as follows:

(b) The Rural Health Services Revolving Fund shall consist of funds transferred from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, or any other funds made available by the General Assembly, there to be used to provide matching funds, on a fifty-fifty (50:50) cash basis up to a maximum of two hundred thousand dollars (\$200,000) per applicant, for assisting in the stabilizing of necessary medical services provided by county, local, commercial, or

nonprofit operations, all as administered by the Department of Health as set out in the Rural Health Services Revolving Fund Act, § 20-12-401 et seq.

SECTION 13. Arkansas Code § 19-5-1105(b)(1), concerning the Small Business Revolving Loan Fund, is amended to read as follows:

(b)(1) The Small Business Revolving Loan Fund shall consist of moneys transferred from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, interest earnings, repayment of loans, and moneys recovered for loan losses under the loan program created in the Small Business Revolving Loan Fund for Pollution Control and Prevention Technologies Act, § 8-5-801 et seq., and any other moneys made available by law or from any other source.

SECTION 14. Arkansas Code § 19-5-1205(b)(1), concerning the Youth Services Facilities Needs Fund, is amended to read as follows:

(b)(1) The Youth Services Facilities Needs Fund shall consist of funds transferred to it from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, and ~~such~~ other funds authorized by law.

SECTION 15. Arkansas Code § 19-5-1206(b)(1), concerning the Building Authority Division Real Estate Fund, is amended to read as follows:

(b)(1) The Building Authority Division Real Estate Fund shall consist of funds transferred to it from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, Governor's Emergency Fund or other emergency funds, federal grants and matching funds, short-term loans and advances, proceeds from bond issues, leases, service charges or fees, interagency transfers of funds, partnerships and debentures, and other funds as may be appropriated by the General Assembly.

SECTION 16. Arkansas Code § 19-5-1236(b)(1), concerning the Technology Acceleration Fund, is amended to read as follows:

(b)(1) The Technology Acceleration Fund shall consist of funds transferred to it from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, or other

funds, gifts, bequests, foundation grants and gifts, Governor's Emergency Fund or other emergency funds, federal grants and matching funds, proceeds from bond issues, service charges or fees, interagency transfers of funds, and other funds as may be appropriated by the General Assembly.

SECTION 17. Arkansas Code § 19-5-1238(b)(1), concerning the Sustainable Building Design Revolving Loan Fund, is amended to read as follows:

(b)(1) The Sustainable Building Design Revolving Loan Fund shall consist of funds transferred to it from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, Governor's Emergency Fund or other emergency funds, federal grants and matching funds, proceeds from bond issues, service charges or fees, interagency transfers of funds, and other funds as may be appropriated by the General Assembly.

SECTION 18. Arkansas Code § 19-5-1240(b), concerning the Minority and Women-Owned Business Loan Mobilization Revolving Fund, is amended to read as follows:

(b) The Minority and Women-Owned Business Loan Mobilization Revolving Fund shall consist of the unexpended fund balances remaining in the Small Business Loan Fund Account of the 82nd Session General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, as of the close of business on June 30, 2009, and such other funds as may be authorized by law.

SECTION 19. Arkansas Code § 19-5-1244(b)(2), concerning the Health Information Technology Fund, is amended to read as follows:

(2) The Health Information Technology Fund shall also consist of funds transferred to it from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, Governor's Emergency Fund or other emergency funds, federal grants and matching funds, proceeds from bond issues, service charges or fees, interagency transfer of funds, and other funds that may be appropriated by the General Assembly.

SECTION 20. Arkansas Code § 19-5-1262 is amended to read as follows:
19-5-1262. Rainy Day 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 "Rainy Day Fund".

(b) The Rainy Day Fund shall consist of:

(1) Funds transferred to the Rainy Day Fund from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund;

(2) Attorney General settlement funds;

(3) Interagency transfers of funds to the Rainy Day Fund;

(4) Any revenues provided by law; and

(5) Any other funds and fund transfers provided for by law.

(c) The Chief Fiscal Officer of the State shall use the Rainy Day Fund for transfers to:

(1)(A) Provide funding for one (1) or more ~~General Improvement Fund appropriations or General Improvement Fund reappropriations enacted by the General Assembly~~ appropriations or reappropriations enacted by the General Assembly from the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

(B) At the time of a transfer under subdivision (c)(1)(A) of this section, the Chief Fiscal Officer of the State shall notify the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, of the transfer of funds, the amount of funds transferred, and the purpose of the transfer; and

(2) One (1) or more funds or fund accounts authorized by the General Assembly, other than the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund, upon prior approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 21. Arkansas Code § 26-51-2412(a)(1), concerning the Arkansas Central Business Improvement District Rehabilitation and Development Investment Tax Credit Act, is amended to read as follows:

(a)(1) This subchapter takes effect only if the Chief Fiscal Officer

of the State certifies that sufficient funding for this subchapter is available in the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

SECTION 22. Arkansas Code § 26-59-122(a), concerning the disposition and allocation of funds, is amended to read as follows:

(a) All taxes, fees, penalties, and costs received by the Director 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, except that the amount of estate taxes collected in a calendar year that exceeds ten percent (10%) of the average annual estate taxes collected for a five-year period immediately preceding the calendar year or fifteen million dollars (\$15,000,000), whichever is greater, shall be deposited into the State Treasury as special revenues and credited to the General Improvement Fund or its successor fund or fund accounts, including the Development and Enhancement Fund.

SECTION 23. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the General Improvement Fund should no longer be utilized; that the Development and Enhancement Fund is necessary to complete unfinished state projects; and that this act is necessary to address infrastructure needs and unanticipated needs of the State of Arkansas. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2019.

APPROVED: 2/7/19